

American Relations with China

**Report of the Conference held at
Johns Hopkins University,
September 17-20, 1925**

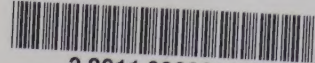
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AMERICAN RELATIONS WITH CHINA

A Report of the Conference held at Johns Hopkins University, September 17-20, 1925, with supplementary materials, and arranged to be of use to discussion groups, current events clubs, and university classes

Conference on American relations with China,
Baltimore, 1925.

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THE CONFERENCE ON AMERICAN RELATIONS
WITH CHINA

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The Conference on American Relations With China

ORIGIN, PROCEDURE, AND VALUES

The Conference held September 17 to 20, 1925, at Johns Hopkins University, Baltimore, realized the desire of various groups of citizens to meet together to clarify their views on next steps in American relations with China. Plans for the Conference date from a luncheon held on July 17, 1925, in New York, which was attended by a group of about fifty people interested in China. A committee of 126 sponsors aided in the problems of organization. The membership, which included 221 people, was by invitation, in order that there might be secured the widest possible representation. The call to the Conference read: "The Conference is entirely unofficial. It is not being summoned in order to endorse any predetermined policy or program nor is the range of discussion to be limited in advance. It is, however, hoped that the discussions will move in areas where those present will be competent to act. It may be less concerned with governmental policies than with those of the organizations and institutions to which its members belong, and whose policies they may affect. Practically all those present will be competent to contribute something distinctive and valuable to the discussions. On this basis, it is clear that the sessions will consist less of formal addresses than of an exchange of information and points of view, to the end of finding out what results in action ought to be sought by organizations or individuals in promoting fuller information in the United States regarding China, and for furthering cooperative relations between the American and Chinese peoples." This aim was realized only in part because of the evident importance of the Peking conferences, which were then in prospect, and the consequent focusing of public opinion on possible political action.

Those who took part in the sessions were related chiefly to business, labor, civic associations, the churches and missions, the universities, and the organized agencies of public opinion in America. With the capable aid of a number of Chinese, the Conference set out to examine recent developments in China in so far as they affect American interests, and to study what adjustments of present political, economic, and missionary relationships seem desirable and possible.

The Conference was aroused from the start to the seriousness of the present situation as affecting Chinese-American relations. Following upon the thoughtful general surveys in the first two sessions, the more detailed subsequent discussions disclosed the more critical of the many interests involved. The solicitude of the Chinese to obtain equality of treatment with other sovereign powers was brought out in the discussions on tariffs and courts. The concern of aliens in China for the security of their property interests and of business enterprise appeared in the statements by American

business men. Several speakers with experience in official relationships pointed out why the existing treaties, as the expression of previous attempts to secure reasonable working arrangements with China, are not to be lightly discarded. Still others exhibited almost exclusive concern with the present aroused state of Chinese public opinion, and urged that historical considerations must give way to the demands of the present crisis.

It was to be noted that the lines of division cut across those of nationality and of vocational interest. The Chinese members, to be sure, did pool their opinions in a paper read by their spokesman; but there was no American position as such to be set off in contrast.

As the progress of discussion cleared away preliminary misunderstandings, some differences became adjusted; on the other hand, new divergences of judgment appeared. This shifting of the lines of division was without doubt confusing to those members who were eager to know "where we stand"; but it was also indicative of the ability of the Conference to make progress in its study of a complicated situation.

A large part of the time of the Conference was devoted to the analysis of situations involving extraterritoriality and customs control. As to the initiative of the United States Government in making new agreements with China, the question was raised whether American citizens should press their Government to go further than other Powers may be ready to go if this proved to be necessary to meet Chinese desires for autonomy in their courts and finances.

This issue carried with it another as to the function of the Baltimore Conference itself; namely, Should the deliberations be brought to focus in a public statement representing the considered position of the Conference?

The Conference divided on Saturday afternoon into four sections to inquire further into such help on their problems as might be found in:

1. Governmental action, both independent and in concert with other Powers;
2. Agencies that form American public opinion;
3. Guarantees that might be sought from the Chinese for the protection of legitimate foreign enterprise;
4. Chinese resident in America as resources for the promotion of mutual understanding.

Reports of these sectional discussions were presented to a full session of the Conference.

A motion to accept the report of the first sectional group led to debate as to whether the Conference should commit itself to some endorsement of policy, or should limit its function to the exchange of facts and views which the members might carry back to their own groups. Eventually the report was accepted by a vote of approximately 125 to 25 "as an expression in substance of the views of the Conference."

Within the group who voted for the acceptance of the report were to be found distinct gradations of opinion. The range extended, for example, from an insistence that the Chinese people meet certain demands before extra-

territoriality be abolished and customs autonomy conceded, to a willingness to accept assurances by the Chinese people that they would fulfill their responsibilities. Moreover, these positions were by no means constant throughout the sessions, but were noticeably altered by interpretation of terms, such as "immediate abolition," which at first was differently understood by various groups.

The discussion of the report before its adoption brought out several other distinct divergences. Two of these found expression substantially as follows:

1. The adoption of a report recommending the abolition of extraterritoriality and the granting of customs autonomy would encourage certain groups in China to expect much more in the way of drastic early action than could possibly be carried out by the United States, which is by no means the only nation concerned.

2. The hope expressed in the report that our Government will take independent action if it cannot within a reasonable time secure the concurrent action of the other Powers, might prove embarrassing in the forthcoming negotiations in China.

The reports of the other three committees seemed to reflect with reasonable accuracy the views of the entire Conference. These statements included recommendations:

1. That the necessary organization be provided to continue the educational work of the Conference.

2. That suggestions offered in this Conference for workable substitutes or modifications of the existing arrangements governing extraterritoriality and customs control should be presented to the proper members of the tariff conference and of the conference on extraterritoriality.

3. That eventually some of the agencies represented in the Conference, together with representative groups of Chinese in America, should convene a further conference for the fuller study of practical ways (a) of securing justice and a sympathetic understanding for the Chinese in America; (b) of making the self-governing organizations of Chinese in America channels through which America might more largely contribute to the social and economic upbuilding of the new China.

The Conference, therefore, realized that its object was not achieved with the conclusion of its sessions. As one member said near the close, "It has been a real clearing house on opinion regarding Chinese-American relations. It should not stop there. Several members have . . . voiced the feeling that a subsequent conference, after the completion of those on customs and extraterritoriality at Peking, would be desirable."

Whether a second conference should be convened or not, the Johns Hopkins Conference was generally regarded by the members as a preparation for wider educational efforts through the individuals and organizations best prepared to promote understanding between the United States and China.

Finally, the Baltimore Conference revealed rich resources in our own country for widening our understanding of Chinese-American relations. It

suggested the social power that is generated when experts in international relations and spokesmen of organized opinion and of large interests involved combine in a common educational effort. In the immediate future there is sure to be intense interest in the progress of negotiations in Peking. It is hoped that each instalment of news from there, bringing home the realities of the situation, will lend encouragement to carry further the distinct service of the Baltimore Conference on American Relations with China: that of helping those related to the various groups concerned to clarify their views and to modify their policies in the presence of one another and of the facts.

In this report the materials of the addresses and discussions have been rearranged topically, and with them have been placed most of the data papers circulated in advance of the Conference. Some use has been made also of the multigraphed bulletins of information, widely circulated by way of preparation for the gathering. The more permanent values of the whole body of fact and opinion emerging in connection with the Conference have been in mind in furthering the editorial task, rather than the presentation of a detailed, session-by-session, report of the conference procedure. As a result, in the interest of conciseness much of the incidental debate has been deleted from the record. It is hoped that the arrangement of the materials, together with the inclusion of the suggested outline, the list of issues raised by the sponsors, and the bibliography—will make the volume of value to many groups which may be seeking for materials helpful for the study and discussion of the situation in China.

THE QUESTIONS GIVING RISE TO THE CONFERENCE

From these questions, drawn from much preliminary discussion and from counsel with many advisers, the Program Committee proposed that the Conference should determine the issues which, in view of time limitations, it could most rewardingly discuss.

I. *What facts compel or justify efforts to secure better adjustments in the relations between the United States and China?*

For example, what are the facts regarding:

1. China's progress in the development of a genuine national spirit?
2. China's changed attitude toward Western people and governments?
3. China's changed attitude toward Western culture, science, and education?
4. China's developments in trade and industry?
5. China's communications (railways, telegraphs, wireless, post offices)?
6. China's Government: national, provincial, and local? The fight against corruption in public life?
7. China's courts and progress in codification of the laws?
8. China's attitude toward religious toleration and the present measure of appreciation of or acceptance of Christianity?

9. China's relations to opposing interests of Russia and Japan in the Far East?
10. America's changing attitude toward Chinese history, culture, and place in the world?
11. Obligations assumed by the United States under the Washington Treaties?

II. *What adjustments are necessary or desirable in the relations between these two countries in view of the facts of the present situation?*

For example:

1. In treaty relations:
 - a. Extraterritoriality.
 - (1) Consular and district courts.
 - (2) Mixed courts.
 - (3) Evasion of taxation.
 - (4) Industrial and other controversies.
 - b. International settlements. (There are no American residential concessions.)
 - c. Foreign military forces in China, and naval vessels on inland waters.
 - d. Customs.
 - (1) Conventional tariffs versus autonomy.
 - (2) Securities for loans.
 - (3) Administration.
 - (4) Abolition of likin.
 - e. Financial loans, etc.
 - f. Religious toleration and missionary freedom.
 - g. United States immigration laws.
2. In extra-treaty relations:
 - a. Attitudes of mutually assumed racial superiority. Ignorance on the part of each of the other's civilization and culture.
 - b. Dependence on force in support of claims.
 - c. Communications and interchange of news.
 - d. Financial consortium.

III. *What interests of the United States in China call for the early making of the adjustments suggested?*

For example:

1. Political.
 - a. Assuming that the early and equitable settlement of controversial questions is desirable, should the United States, yielding to the pressure of precedent and the counsel of certain interests, use force in solving present problems?
 - b. In seeking the solution of present problems, should the United States act independently, or concurrently with other Treaty Powers?

AMERICAN RELATIONS WITH CHINA

- c. What is the value of the "Open Door Policy"?
- d. With reference to the establishment by China of an effective national Government, what assistance can the United States give? Should the policy of the United States be one of complete aloofness with reference to China's internal affairs? What is the right order,—stable government in China before modification of treaties, or *vice versa*?
- e. What are the interests of the United States in the settlement of the Far Eastern questions in the relations between China, Japan, and Russia?
- 2. Economic.
 - a. What are the mutual advantages in increasing trade?
 - b. Are trade interests a factor that makes for peace or otherwise?
- 3. Communications.

What can be done to secure cheaper cable or radio communications between China and America?
- 4. Cultural and social.
 - a. What can America learn from China?
 - b. What is the relation of Christian missions to the maintenance of harmonious relations between the United States and China?

ISSUES SUGGESTED BY THE SPONSORS FOR CONSIDERATION AT THE CONFERENCE

The sponsors of the Conference, in reply to letters soliciting thought on the above questions, contributed many stimulating suggestions. These the Program Committee circulated without accepting responsibility for their content, and with the expectation that the Conference would make such use of them as to it might seem best.

I. THE SITUATION IN CHINA

- 1. Of what does China as a national entity consist at this time, in respect to:
 - a. Central government?
 - b. National unity?
 - c. Economic organization and capacity?
 - d. Legal system and judiciary?
 - e. Extent and degree of maintenance of public order and the protection of life, property, and foreign interests of all kinds?
 - f. The measure of sovereignty actually existent and functioning?
- 2. What is meant by China's "commitments" to foreign Powers? How complete a list can be secured of all the agreements made both by the Central Government at Peking and the Provincial Governments, concerning coal mines, railways, spheres of influence, etc.?
- 3. Which of these commitments must be regarded as unilateral and obtained by force? Which of them should be canceled before China can shake off

the past and progress toward a more satisfactory and efficient national life?

4. To what extent is China affected by the present disturbance? Is the unrest widespread or confined within a comparatively narrow area or to some small group? How important is the part played by the students in the whole situation?
5. To what extent is the present trouble in China indigenous? To what extent is it the result of the work of political propagandists, without and within China? To what extent is it due to political corruption within China and to what extent to political pressure and economic exploitation from without China?
6. It is claimed by some that American missionary and educational institutions are largely responsible for the existing situation, because of mistaken policies that have been followed. What is the truth with regard to this assertion?
7. If complete sovereignty were restored to China, what measure of competency and readiness on the part of the Chinese Government, institutions, and people could be depended upon with respect to:
 - a. The maintenance of order, and the protection of the life of foreigners?
 - b. The establishment and maintenance of an adequate judicial system?
 - c. The protection of foreign loans and investments? What are the chief dangers to the safety of these?
 - d. The carrying out of international treaty agreements?
 - e. Defense against outside military aggression or economic exploitation?
 - f. Currency reform?
 - g. The assurance of freedom of religion?

Just what interest has America in each of these items?

II. RUSSIA

1. Just what part has Russia taken in bringing about the present upheaval in Chinese affairs? Is the Soviet propaganda the essential cause or are the Russians simply utilizing an occasion ready to hand?
2. Just what is the relation between the Christian colleges and whatever of Soviet influence is back of the present situation?
3. What is the attitude of the National Christian Council in China to the Soviet propaganda, and what bearing does this attitude have on the present situation?

III. POSSIBLE PROGRAMS FOR ACTION

1. On the one hand it is claimed that so long as foreign nations have so tight a grip on China, the establishment of an ordered and effective national life is impossible, while on the other it is urged that until China sets her house in order, the *status quo* as to foreign control must largely continue. When, how, and by whom should this vicious circle be broken, in the interest of China and of international well being in general?

2. What steps, if any, should be taken by the United States or by its citizens to bring about the establishing of complete sovereignty in China in respect to:
 - a. The abolition of extraterritoriality?
 - b. The restoration of customs autonomy?
 - c. The revision of unilateral treaties?
 - d. The restriction of foreign loans to legitimate finance?
 - e. The restriction of movements of foreign warships in Chinese waters?
 - f. The elimination of foreign control in leased areas or settlement concessions?
 - g. The elimination of foreign military forces on Chinese soil?
 - h. The elimination of foreign dominance in coastwise traffic?
 - i. The elimination of foreign control growing out of financial penetration?
3. Which of these steps are practicable now? In what order should they be undertaken?
4. If any such steps are practicable at this time, with whom does responsibility lie for initiative?
 - a. In spreading knowledge of the facts?
 - b. In developing and guiding public opinion?
 - c. In pushing for action by government, or by business, civic or religious organizations?
5. Having due regard for the interests of both Americans and Chinese in commerce and industry, and on both sides of the Pacific, what limits, if any, should be placed on American business relations with China?
6. To what extent should American loans and investments in China have the backing and protection of the United States Government?
7. Would armed intervention by any one of the Powers or by any group of these Powers be likely to prove an effective way out of the present situation?

IV. LABOR AND INDUSTRY

1. What effect upon economic conditions and social arrangements among the Chinese is coming about as a result of the development in China of modern industry?
2. Just what is the relation between strikes in factories in China and China's foreign relations? How can the industrial revolution in China be brought about without creating serious international complications?
3. What responsibility have the American people with respect to the difficulty of protecting labor in American-owned industry in China as well as other Chinese workers whose standards of life and work come either directly or indirectly in competition with workers in America through commerce and the world organization of markets?

V. MISSIONS

1. What further can be done in adjusting the methods of missions to the ideal of self-determination in China?

- a. On what conditions should American property in China now used for mission purposes be turned over to Chinese ownership or trusteeship?
 - b. What should be done about the demand that all educational work now carried on by the missions be turned over to the Chinese?
 - c. Should the Orientals have the right to a determining voice in the choice, locating and releasing of missionaries?
 - d. How can the interpretation in America of the motives of missions be adjusted to the ideal of self-determination in China?
2. What attitude should mission boards in the United States and American missionaries in China take as regards their privileged political status in China at this time? For example, should all American missionaries disavow their claims to American protection based on the treaties?
 3. Has mission work tended toward better or toward worse relations—in the broadest sense—between East and West? Ought religious proselytizing by foreigners to be continued in China, looking toward the best interests of both races?

VI. CHINESE STUDENTS IN AMERICA

1. How can right relations on the part of Americans with Chinese students in America be promoted? Just what is the opportunity open to Americans in this connection?
2. Is the type of education which Chinese students receive in America likely to make them truly useful citizens on their return to China? Is the type of education received in America more or less desirable than that accessible to Chinese students in China, in Japan, or in Europe?
3. What bearing on Chinese-American relationships have the contacts of Chinese students with American recreations, industries, and homes?
4. What is the rôle of the returned student from America in fostering or disturbing Chinese-American relations after he returns to China?

VII. CHINESE IMMIGRATION INTO THE UNITED STATES

1. Is the exclusion of Chinese immigrants from the United States justified? If so, is the Exclusion Act the best way of bringing this about?
2. What is the effect in China of the treatment shown Chinese of the laboring class now resident in the United States?

VIII. GENERAL QUESTIONS

1. Wherein does the injustice consist in extraterritoriality and what would be the dangers to Chinese and to foreign interests if the system were to be abolished entirely?
2. Should foreign leaseholds of Chinese territory, even though valid in law, be now regarded as invalid in equity and be brought to an end? How can this be done?
3. Having in mind government, business, and mission interests, what aspects of American relations with China at this time are unjust and unfair to China?

4. Is the philosophy and practice of proselytizing for Occidental civilization in China—whether industrial, cultural, or religious—productive of better or of worse relations between the two spheres and conducive to war or to peace?
5. How is the unity of China to be brought about? What part should the foreign powers play in bringing about this unity? In what ways, if at all, should the present foreign control of the Chinese customs be utilized to this end?
6. What rights should Chinese enjoy in foreign settlements in Chinese territory? Inasmuch as these foreign settlements are not under American control, what part, if any, should the United States take in bringing about better conditions?
7. What kind of forces or influences really dominate Chinese-American relationships—political, economic, cultural, idealistic or spiritual? What kind of forces should dominate these relationships? How is the primacy of the type of force or influence regarded as most desirable to be brought about?

IX. ASPECTS OF FRIENDLY HELP

1. How may the American public become better educated on Far Eastern relations, and be brought to a more intelligent appreciation of the Far Eastern peoples?
2. How can the American friends of China best influence America so that in the shaping of policies of diplomacy and commerce the ideal of a self-directing China may prevail?
3. What responsibilities have business firms with reference to the attitude toward and appreciation of Oriental peoples and cultures on the part of American business representatives sent to the Far East?
4. What can be done by American citizens privately and by the United States Government officially to help the Chinese to establish a stable, orderly government, without arousing the opposition of patriotic Chinese leaders on the ground of unwarranted interference?
5. In what manner and by what means can citizens of the United States and the Government of the United States help the Chinese to build, operate and maintain highways, railways, steamships and other means of communication, without being chargeable with "economic imperialism?"
6. What are the best ways of helping the Chinese in respect to:
 - a. Statistical and other research along all lines?
 - b. A public library movement?
 - c. Developing social protection and control in the presence of the industrial revolution?
 - d. Social reform (opium, etc.)?
 - e. Protection against American moving pictures of an unworthy sort?
7. What expression of loyalties to our nation, our culture or our religion are appropriate for us as Americans at this time, in view of the forces and influences playing upon the Chinese people?

X. WIDER RELATIONSHIPS

1. What is the bearing of the present situation in China on the Far Eastern questions in general, including Anglo-Japanese relations? Just what is the relation of the United States to this whole Far Eastern situation?
2. Just what is the relation of the China uprising to the situation in Egypt and in India? If there is any such relation, what, if anything, can the United States do with respect to conditions in China apart from the other foreign powers concerned both in China and in these other areas?

XI. ATTITUDES

1. What elements in the psychology of the Chinese people at this time are of most significance for the consideration of Americans?
2. What is the present attitude of public opinion in America toward Chinese aspirations for complete sovereignty and self-determination?
3. If armed intervention should be resorted to in the near future, what attitude should be taken toward American participation?
4. How do the mental attitudes of Americans with reference to China and the Chinese people affect the social relationships between Americans and Chinese in this country and the behavior of Americans toward Chinese in China? What should be the unofficial treatment of the nationals of each country while resident or traveling in the other country?
5. How can both Americans and Chinese be brought increasingly to full cooperation and to responsible participation in all projects, educational, business and missionary, in China, in which both national groups are concerned?

The Chinese Point of View

REASON AND JUSTICE IN TREATY REVISION

MINISTER SAO-KE ALFRED SZE, Chinese Minister Plenipotentiary
to the United States

I am gratified that such a conference as this should be held, since it evidences not only the serious interest of the American people with regard to their relations to my own people, but also their desire to be intelligently informed concerning the facts which condition these relations. It has been my chief concern throughout all the years I have been in the service of my country to promote, to the extent of my power and opportunity, those feelings of good-will and those understandings upon which cordial relations between sovereign Powers must be based if they are to exist in any true and permanent form. It is my belief that there are no facts or forces, inherent in international society, which prevent the Powers of the world from bringing their several national interests, and therefore their national policies, into substantial harmony, and thus being of advantage to one another without sacrificing any of the rights properly attaching to the sovereignty and the independence of each, or insisting upon that sacrifice by any one of them. I am aware that this is the belief also of you who are here, and that it is because of this belief you are in attendance at this Conference.

Due to disturbed domestic conditions which, in large measure, have been the outcome of her attempt to establish and operate a government republican in form, China is, at the present time, in a state of political transition; and, while working out the best course to pursue, she is watching with especial solicitude the policies of the other and stronger Powers with regard to herself. Thus circumstanced, it is but natural that she should resent any attempt upon the part of other Powers to seize the opportunity to disregard her rights and just interests, and that she should be proportionately grateful for any special aid or consideration extended to her. In this connection I would quote the words of an American whose reputation for political wisdom has circled the globe. Benjamin Franklin, writing in 1779 to Mr. Bernstorff, Minister of Foreign Affairs in Denmark, said:

It is in human nature that injuries as well as benefits received in times of weakness and distress, national as well as personal, make deep and lasting impressions; and those ministers are wise who look into futurity and quench the first sparks of misunderstanding between two nations which, neglected, may in time grow into a flame, all the consequences whereof no human prudence can foresee, which may produce much mischief to both and cannot possibly produce any good to either.

It is my understanding that the primary purpose of this Conference is the exchange of information regarding the present situation in China and the

consideration of what, in the light of such information, should be the policy of the United States and of the American people with regard to China. It would not be proper for me even to suggest what conclusions this Conference or its individual members should reach, but it may not be inappropriate for me to indicate certain general topics which, it seems to me, may profitably be discussed, and certain general considerations which should be borne in mind when discussing them.

It is a very fortunate fact that the relations between the Chinese and American Governments have been almost uniformly friendly, and the Chinese people at this time are thoroughly convinced of the good will which the American people bear towards themselves. At the same time the treaty relations between the United States and China are inextricably interwoven with the relations to China of the other Powers whose policies have not been so satisfactory to the Chinese people. It thus results that it will not be feasible to discuss Sino-American relations without having regard for these other relations. In short, it seems to me that the situation of China *vis-à-vis* the other Powers, including America, will have to be considered, in most of its aspects, as a single whole.

The crux of the situation in China, so far as foreign Powers are directly concerned, hinges principally on two facts. The first of these facts is that, by means of treaties exacted of China, and through various extensions beyond treaty sanction, the nationals of those Powers, living in China, have a status which, in large measure, removes them from the control of the laws and judicial tribunals of China. The second of these facts is that the Government of China is denied the right to determine its own tariff policies. When considering the propriety of continuing to enforce these limitations upon the full exercise of China's sovereignty, it is proper that this Conference should examine with special care the circumstances under which these limitations were originally insisted upon by the Powers. This examination, it does not need to be said, should disclose the specific conditions which were then thought to justify the treaty provisions, and thus make it possible for this Conference to consider whether those conditions and justifications still exist, and if not, what changes in these treaties should be made in order to bring them within the operation of reason and justice.

When approached in this manner the following questions present themselves for answers:

In the eighty years which have elapsed since the policy of imposing treaty limitations upon the full exercise of China's sovereign rights was inaugurated, have the conditions so materially altered that, in place of unequal treaties, imposing unilateral obligations, there should be substituted treaties which are equal and reciprocal in their operation?

What bearing upon this question has the solemn undertaking of the Powers represented in the Washington Conference of 1921-1922: "To respect the sovereignty, the independence, and the territorial and administrative integrity of China"; "to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable

government"; "to use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China"; and "to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States and from countenancing action inimical to the security of such States"?

Of great importance, so far as the maintenance of the now existing treaties is concerned, is the opinion of the Chinese people regarding them. It is not necessary for me to say that that opinion is a highly critical one, and, whatever may be thought as to the reasons and justification for this opinion, it is a fact that must be regarded and its implications borne in mind. Especially is it important to consider whether this popular opposition to the continued maintenance of treaty limitations upon China's freedom of action with regard to the exercise of certain of the most important of her sovereign rights is due to causes which are superficial in character and temporary in their operation, or whether these causes are deep-seated and fundamental in their nature, and may therefore be expected to continue to operate and, in all probability, with increasing force.

That it is desirable that the Chinese people should bring into being a strong and efficiently administered central government is not a question that needs discussion, for it will be denied by no one. It is, however, a question, and an important one, whether the realization of this greatly to be desired end has been, and is now being, hindered by the treaty limitations under which the Chinese Government has been obliged to operate. If this be so, and to the extent that it is so, the United States and the other Powers can legitimately aid China by removing these limitations. Perhaps, also, there are other ways in which the peoples of the other Powers, and particularly of the United States, can use their influence in the spirit of the Washington Conference by giving support and encouragement to the Chinese people in their attempt to operate a government republican in form, to modernize their ideals and methods of education, and to direct the industrialization of their country which is advancing at such a rapid rate. It may be that from the discussions to be had at this Conference fertile suggestions upon these points may emerge.

At the risk of doing what I have said that I did not think it would be proper for me to do, I would suggest that, should the United States or the other Powers decide that steps should be taken to satisfy the desires of the Chinese people for equal and reciprocal international treatment, the undertakings to this end should be specific in character and not stated in the form of general or qualified intentions.

As an illustration of the possible, if not probable, futility of statements of a mere intention or the assumption of conditional obligations, I might refer to the agreement of the Powers signatory or adherent to The Hague Opium Convention of 1912 that they would take gradual (progressive) and effective steps to bring to an end the legalized smoking of opium within their several Far Eastern territories or possessions. Thirteen years later these

Powers found it necessary again to convene, this time at Geneva, in order to determine what steps they should take in order to carry out the reform to which they had committed themselves at The Hague. In this second conference these Powers again asserted their desire and intentions to carry out the obligation which they had assumed, but refused to pledge themselves to any specific measures that would be calculated to bring about that result, and, in fact, stated that decisive and definitive action upon their part could not be taken until certain conditions were met, conditions, which it is certain, cannot be met for many years to come, if ever. With such a lesson as this before their eyes, it should not cause surprise should the Chinese people fail to ascribe great value to mere declarations of intentions or to good wishes unaccompanied by specific undertakings.

I cannot close without adding one further word. The international problem presented by China is sometimes spoken of as "the Chinese puzzle," but this is not a fair entitling of it, for it is, in fact, one that is simple and easily understood. The Chinese people have every intention to provide full security for the lives and property of foreigners in China—a security no less than that enjoyed by Chinese citizens living within the territories of the Treaty Powers. In return the Chinese people ask that their own rights within China be not disregarded or violated by foreign Powers or by the nationals of these Powers. We have the publicly declared opinion of Senator Borah, Chairman of the Committee on Foreign Relations of the United States Senate, that, "if the foreign interests in China will respect the rights of the Chinese people and deal with them in justice . . . there will be no trouble in China." The Chinese people value the friendship and good will of the other Powers, and earnestly hope to live in peace and harmony with them. Occupying the place in the family of nations to which they believe themselves entitled by reason of their resources and their civilization, the Chinese wish to contribute their due part to the progress of the world.

Fortunately for the peace and security of the world, the peaceful development of China and her millions is an absolute certainty unless that development is deflected by foreign agency into channels of militarism. The Chinese development of China, if I may put it that way, will make for peace if only because the whole of Chinese culture rests on a belief in the power and appeal of moral force. The entire body of Confucian teaching centers around that conception. We hold material force in such regard that the soldiers constitute the lowest order in our social hierarchy. And this Chinese valuation will remain unchanged so long as the Chinese people are allowed to progress and develop along the lines of their own national genius.

INTERNATIONAL ASPECTS OF THE CHINA SITUATION

PING-WEN KUO, Ph.D., Director of the National Association for the Advancement of Education in China

China has been and is still going through a period of transition and of readjustment in her national life. Important issues of international character have been recently forced upon the attention of the world and press for

prompt solution. America is not much involved in the immediate issues, but she is, in common with other Powers, greatly concerned in the more fundamental issues. The holding of this important and timely Conference is, to my mind, one of the many evidences of the sympathetic attitude of the American people toward the aspirations of New China, and their willingness and readiness to readjust their various relationships to meet this new situation.

We all know that there has been much unrest and disturbance in China during the last three or four months. Huge demonstrations have been staged in Shanghai, in Tientsin, in Hankow, and in many other important centers of China. In some of these hundreds of thousands of people participated. Student strikes and labor strikes, merchant strikes and boycotts, have been the order of the day, and no sacrifice has been considered too great for their support. Indeed, the whole country has been greatly stirred up and strongly united by the existence of a common cause.

The situation, looked at from the international point of view, and especially from the Anglo-Japanese point of view, is a very serious one, and calls for the highest qualifications of statesmanship.

What is the cause of this unrest and disturbance? The Shanghai tragedy of May 30, now well known to the world, was of course the immediate cause of the present uprising, the spark, as it were, which set the whole nation into conflagration. The killing and wounding, by order of a British police officer of the Municipal Council, of a large number of unarmed demonstrators in sympathy with the strike to improve labor conditions in a Japanese cotton mill, under the circumstances as these were revealed by the Mixed Court proceedings and by eye-witnesses, is now generally admitted to be indefensible.

Is there any wonder that this deplorable act should have filled the Chinese nation with horror, and with righteous indignation, and that her people are demanding, in the name of justice and of fair play, that the wrong-doers should be punished and the wrongs righted? Is it not fair and reasonable to say that a similar outrage enacted in an American city by its foreign population under the same circumstances would have called forth at least the same kind of resentment, if not more drastic measures of protest, from the American people? Indeed, many of the missionaries and other foreign residents in China have felt the serious nature of the wrong thus perpetrated on defenseless people and have voiced their feeling of injustice in public statements.

While this unfortunate act of the Shanghai Municipal Police was serious enough in itself to call forth national resentment, it was further intensified by the long-standing discontent toward the Municipal Council of Shanghai. The persistent refusal to allow Chinese representation on the Municipal Council, the illegal seizure and control of the Shanghai Mixed Court, the unlawful construction of roads beyond the boundaries of the settlement, and the curtailment of the freedom of speech, of assembly, and of publication, represent but a few of the old grievances which in a way had prepared the ground for the outburst of popular feeling.

Had justice been meted out promptly after this unfortunate incident at Shanghai, and if instead of adopting harsh measures a sympathetic attitude

had been taken by the Municipal Council toward the Chinese protest, the case would not have become as serious as it did.

It is true that soon after the tragedy, the diplomatic body in Peking lost no time in appointing a commission to investigate the trouble with a view to locating the responsibility. However, the report of this commission, for obvious reasons, has never been made public. But from a summary of it which leaked out and found its way into the press of Tokyo and Paris, one can see clearly that there was not much question as to where the responsibility lay. But the prestige of the Municipal Council is at stake, and to save face is evidently considered to be important by foreigners as well as by Chinese!

As a result, the negotiations for the settlement of the Shanghai trouble came to a deadlock. Meanwhile, Great Britain proposed to re-investigate the Shanghai incident through a judicial inquiry. This proposal, however, is not being looked upon with favor by China, for, in the first place, the necessary inquiry into the Shanghai affair had already been conducted, and that inquiry was based largely upon the proceedings of the Shanghai Mixed Court, which are judicial in character.

Again, it is believed that the setting up of this proposed judicial inquiry is merely a means of counteracting the adverse findings of the previous commissions through too great a regard for the susceptibility of the Municipal Council. Moreover, the holding of the proposed inquiry having many difficulties in the way would further delay the settlement of the case, prolong the period of agitation and boycott, and consequently work harm to all parties concerned.

Such being the case, the possibility of an early and satisfactory settlement of the Shanghai situation is still uncertain. It is a source of satisfaction, however, to learn from the daily press that on August 31 a joint meeting of the British Chamber of Commerce and the Shanghai branch of the China Association, among other actions, gave expression to its support of the principles of direct Chinese representation on the Municipal Council of the International Settlement, also the rendition of the Mixed Court, and expressed the hope that the negotiations which are now proceeding at Peking with reference to these questions would be brought at an early date to an issue satisfactory to all parties concerned. Inasmuch as these two questions represent the more important problems of the thirteen demands of China, their solution should at least prepare the way for the much delayed settlement of the Shanghai tragedy and for bringing the present unhappy situation to an end.

Let us now turn our attention to the more general and fundamental issues over which our people are even more seriously concerned. Believing that the mere settlement of the particular incident and the improvement of the local situation will not prevent the recurrence of similar incidents and will not place the relations of the Chinese people and foreign residents on a more stable and satisfactory basis, they are also seeking a more fundamental solution, namely, the revision of the existing treaties between China and the

Treaty Powers. These existing treaties, as you all know, were made long ago, mostly as a price of defeat, and under circumstances which did not permit free discussion. They were not contracted on a basis of equality, hence they are known as "unequal treaties." Under these treaties the foreign nations enjoy certain privileges and rights which infringe upon China's integrity, restrict the exercise of her sovereignty, and obstruct her fullest development.

Our people believe that the time has come for a fundamental revision of these treaties, for most of the conditions obtaining when these treaties were negotiated do not now exist. The standard of general enlightenment in China is now considerably higher than in former days. The educated people to-day cherish with no less fervor than the people of the West the fundamental principles of liberty, equality, and self-determination, as well as other ideas of modern democracy. They are more and more coming to understand the meaning of the numerous treaties by which China is bound and her freedom of action is restricted. At the time China entered the Great War with the Allies, she was encouraged to hope for a definite improvement of her international status. Great, therefore, was the disappointment of the Chinese people when, after the Great War for a common cause had been won, China's own international status remained practically unimproved.

The agitation for treaty revision, while it has been given a new impetus by the recent uprising, is by no means a new movement. It is a policy which long ago China was committed to in her foreign relations and it is motivated by the earnest desire to improve her international status. In 1919 she announced at the Versailles Conference her claims for the recovery of impaired rights, but received no consideration because the question was not considered to be within the scope of the conference, although she did receive a certain amount of encouragement when Austria and Germany, in accordance with the provisions of the Versailles Treaty, renounced all their former rights and privileges. The voluntary renunciation of Russia's treaty rights and privileges on the part of the Soviet Republic was greatly appreciated by the Chinese people, and gave them encouragement to hope for the day when other Treaty Powers would take the same step.

In 1921 she made similar claims at the Washington Conference, and the Treaty Powers decided to remove certain restrictions placed upon China and further promised to remove others upon the fulfillment of certain conditions considered by them to be necessary. But unfortunately, owing to the failure of France to ratify the treaties, the important commitments made have not been carried out. The changes proposed, moreover, now no longer satisfy the cherished desires of the Chinese people, being considered not sufficiently fundamental and definite in their nature.

Among the problems of treaty revision the question of customs tariff and that of extraterritoriality are unquestionably the most important. The present arrangement of fixing tariff by treaty makes it difficult for China to revise her tariff. It has deprived her of her power to make reciprocity arrangements with other nations and runs counter to the principle of equality

and mutuality. It has caused a serious loss of revenue to the Chinese treasury. The existing tariff does not provide for differentiation, and it is therefore not scientific. Moreover, tariff autonomy is a sovereign right enjoyed by all independent States. Its free exercise is essential to the well-being of the State. The existing treaty provisions by which a levy of customs duties is regulated constitutes not only a restriction on China's freedom of action, but also an infringement on her sovereignty. Restoration to her of tariff autonomy would be only a recognition of a right which is hers and which she relinquished against her will. Supported by these considerations, the Chinese delegation at the Washington Conference contended for the restoration of tariff autonomy, but the Powers concluded a treaty of tariff revision which did not come up to the expectations of China.

In a recent invitation sent to the Powers to attend the Special Conference, as provided by the Nine-Power Treaty recently ratified by France, to be held in Peking beginning October 26, 1925, the Chinese Government reminded the Powers that the Chinese delegation, in giving assent to the treaty of tariff revision at the Washington Conference, declared that it was their intention again to bring up the question of the restoration to China of tariff autonomy for consideration on all appropriate occasions in the future. In pursuance of the above declaration, the Chinese Government proposed that the said question be also brought up at the forthcoming Conference, and expects that some arrangement will be made to remove the tariff restrictions hitherto imposed upon China.

It is now almost certain that at the coming Conference China will not agree to signing any further agreement restricting her freedom of adopting an equitable and just tariff of her own. She might be induced to accept an agreement with the expressed reservation agreed to by the participating Powers that after a certain number of years tariff autonomy will be restored to her, on the condition that likin¹ will be abolished to facilitate trade and commerce. When such a condition is accepted by China one fails to find any further justification, except for material and other selfish reasons, for the Powers to withhold from her that which rightly belongs to her as an independent nation.

Turning to the question of the removal of extraterritoriality we find the evils of the existing system had been so obvious that Great Britain in 1902, Japan and the United States in 1903, and Sweden in 1908, agreed to relinquish extraterritorial rights when satisfied with the state of Chinese laws and the arrangements for their administration. More than twenty years have elapsed since the conclusion of these treaties and during this period China has made great progress in the reform of her judicial system and has succeeded in

¹ Likin is a "transit tax," levied on the inland trade of China. There is no uniformity in the amount of this tax, and when a shipment of goods passes several likin stations the total sometimes amounts to fifteen or twenty per cent. On some trade routes likin stations are only a few miles apart. The value of the tax to the national Government is almost negligible, for the responsibility of collection is almost always "farmed out to" local officials by the provincial governments, whose revenues are absorbed by the military or otherwise used, so that little or nothing is forwarded to Peking.—Bulletin No. II, Editorial Information Committee, Conference on American Relations with China.

bringing it into accord with that of the Western nations. During the Washington Conference the Chinese delegation asked the Powers concerned to relinquish their extraterritorial rights in China at the end of a definite period and urged the adoption of a plan for a progressive modification and for the ultimate abolition of the system of extraterritoriality. Instead of complying with this request the representatives of the Powers at the Conference decided to establish a commission to inquire into the present practice of extraterritorial jurisdiction in China and into the laws and methods of judicial administration. With the passing of three long years without the creation of the proposed commission the Chinese people are becoming impatient in waiting and demands are being persistently made for the early relinquishment of extraterritoriality, believing as they do that the reforms already made in Chinese laws and the arrangements for their administration justify their expectations.

That the claims of the Chinese people in this direction are legitimate and that the present status of foreigners in China needs to be modified sooner or later, are practically conceded by the Powers concerned, but there is a practical problem to be faced, and that is, what assurance is there that the welfare and interests of foreigners would be properly taken care of under the present state of Chinese laws and under their ways of administration? It is contended by certain foreign nationals that China is not yet ready to assume this responsibility. Cases of dissatisfaction in the administration of justice to Germans and Russians have been cited to support this contention. In reply, we would say that, granting the cases cited to be true, these do not affect the main principle and argument of the case at issue. Miscarriage of justice is unavoidable in the ordinary course of events, especially when there is the difficulty of language, the liability of making mistakes in interpretation, and other like circumstances. One can easily find similar cases of Chinese laborers in America or of Chinese in Hong Kong and in other British colonies failing to secure satisfaction in justice. Indeed, miscarriage of justice is a common occurrence even in dealing with a nation's own nationals. Thus the question of how miscarriage of justice should be compensated for is a problem often heard discussed in the parliaments of the great nations of the world. The fact is, jurists are human and as such they are likely to make mistakes. In other words, the mistakes made, if any, are accidental and not intentional.

Moreover, China is prepared, after the withdrawal of extraterritoriality, to establish special tribunals in the various consular jurisdictions to deal with cases in which foreign nationals are involved. Expert jurists of neutral countries will be employed as judges or assessors whose qualifications will be passed upon by the judges of the Permanent Court of International Justice at The Hague. Such special tribunals and foreign jurists will be maintained for a period of time until confidence in the equity of the Chinese laws and in its efficiency in administration is firmly established. The same system has been in operation in Siam for more than ten years, with satisfactory results to all parties concerned. In the Treaty of Lausanne the Powers relinquished their right of extraterritoriality in Turkey and the latter volun-

tarily promised to employ foreign experts in the administration of justice to deal with cases in which foreigners are involved. The state of Chinese laws and their administration are certainly not inferior to those of Siam and Turkey. Why is it that in one case the right of extraterritoriality has been relinquished while in the other this has not yet been done? Moreover, Turkey is an ex-enemy, while China is a member of the Allied Powers. Why should China be treated less generously than Turkey?

Such in brief are several of the immediate and permanent problems pressing for solution. They represent some of China's grievances and aspirations which underlie much of the unrest and disturbance we witness to-day. Many and complicated factors are at work, but there is one outstanding factor which is of great significance, namely, the existence of a strong national consciousness. Those of you who know China and have watched the changes of the last decade must have noticed the rapid and steady growth of this patriotic feeling, brought about through the aggression of certain foreign Powers, the spread of modern education, the development of the modern press, the growth of public opinion, the birth of the new renaissance and student movement, as well as through other influences. It is this growing national consciousness which is largely responsible for the strong desire of our people to become a truly independent nation, free from all foreign interference, as expressed in the attempts for the recovery of impaired rights and privileges and in the resentment against further foreign encroachment and exploitation. It is not a blind anti-foreign spirit and still less is it a Bolshevistic movement. Admitting that this growing nationalism is accompanied by new dangers which must be guarded against, nevertheless, true friends of China must regard it as one of the healthy signs of the day, for this same factor, this same patriotic feeling can be, and is being more and more, directed against corruption, militarism, opium, undesirable labor conditions, and other political and social evils of the day, and is working for a better government and a better economic and social order.

In the autumn of 1924, the movement against opium was launched through the establishment of the National Anti-Opium Association, and so ready was the response that in the course of three months no less than 700 cities throughout the nation observed the National Anti-Opium Day, and 230 centers had organized themselves for a fight against the planting of opium. The petition sent to the International Anti-Opium Conference at Geneva against the importation of opium and to the Peking Government against the planting of opium was signed by more than 2,000 organizations in different provinces, representing more than 2,000,000 people.

The influence of nationalism is by no means a negative one only, but has its positive and constructive side as well. It is this new nationalism which is mainly responsible for the inauguration of the significant movement for popular education, having as its slogan the removal of illiteracy in this generation. And within the short period of two years no less than two million illiterates have been taught to read and write.

It is this same patriotic feeling which prompted the establishment of

the National Good Roads Association on the part of the Chinese people. In less than three years, the association has enlisted more than 100,000 members, has built through its influence over 12,000 miles of good roads, and has succeeded in attracting nation-wide attention. It is no exaggeration to say that this growing national consciousness is largely responsible for the rapid spread of modern education and the development of modern industry, as well as for many other constructive forms of national progress. Indeed, it represents the primary motive force influencing the ideas and ideals moving the hearts and passions of the Chinese people to-day, and should be fully taken into consideration in all future dealings with China.

What is to be the outcome of the coming negotiations, and what will be their effect upon China and the world, it is difficult to prophesy, but there are certain effects which can be foreseen at this time. In case during the coming conference China's case is not given as sympathetic a hearing as it deserves and her legitimate grievances and ambitions are not reasonably satisfied, one or more of these effects are sure to follow:

First, the present agitation will be indefinitely prolonged. Even if it dies down, it will be only waiting for further opportunity to break out again with new vigor and with stronger force. The relationship between China and the Powers concerned will become more and more strained, making co-operation more and more difficult. Such a condition will work harm for all parties concerned.

Second, refusal of the Powers to bring about the treaty revision advocated by the moderate element will encourage the movement for "treaty abolition" agitated by the radicals. "Why should we accept the judgment of foreigners as to our tariff needs and as to our fitness to render justice?" they say. "Freedom from all restrictions is what we want, and what we intend to have."

Third, China may be driven, against her wish, to follow the example of Japan and to make herself strong in arms. In recent years she has already developed a fairly strong army. The official estimate puts it at 1,500,000, but other estimates put it as high as 2,500,000. The major portions of this army are well disciplined and are equipped with modern arms. When united by the passion to redress a national injustice, and when backed up by the intense patriotism of the people, the military can become a formidable force not to be at all slighted. Moreover, in case armed conflict is resorted to, who can prophesy for certain that it may not lead to other complications and develop into another world war which no one wishes to witness?

Fourth, there is at least one thing China has learned to do and can do effectively, namely, enforce an economic boycott. It is a well-known fact that when the boycott against Japanese goods was at its height, Japanese trade in China was reduced to one half and even down to one third of the normal volume. During the early part of August, 1925, a cable message appeared in the London press stating that only twenty per cent of British trade in Shanghai remained in existence, owing to Chinese boycott, and one English observer rightly remarked that even the remaining twenty per cent might soon disappear. Another message stated that the anti-foreign boycott is costing Hong

Kong \$1,200,000 daily in trade losses. The boycott will continue and may spread as long as the impending questions are not given satisfactory solution.

On the other hand, if the Treaty Powers concerned believe that right should always be placed over might and will see that justice is done to China, and if they try honestly to appreciate the Chinese point of view and seriously consider the removal of those conditions which now handicap China's national progress, then the results will be entirely different. In the first place, the changed international status of China will greatly help her to set up a strong and stable government with ability to fulfill its obligations and to assume the protection of foreign interests expected from her by Treaty Powers, as expressed in their recent identical note to China. She will be encouraged and helped to set her house in order, which is extremely difficult to do, if not entirely impossible, when there are some fifty treaty ports and concessions over which she has no jurisdiction, and as long as she is deprived of her power to adjust her own tariff to meet the growing needs of the Government.

Second, to comply with the wishes concerning treaty revision would deprive Russia of the strongest weapon she now holds for stirring up trouble against the Western Powers, and would make China less exposed to Soviet influence and more determined to fight against Communism and Bolshevism.

Third, such an outcome would convince China of the sincerity of the friendship of the Powers, restore her good will toward some, and increase her faith and confidence in others, encouraging her to become increasingly worthy of a full and equal place in the family of nations and always ready to co-operate with them for mutual benefit and the common good.

In closing, permit me to observe that China and the United States are bound together by many ties of mutual interest—political, economic, educational, and religious. The welfare of the one affects the welfare of the other. In the Treaty of Tientsin with China, the United States and China made the solemn promise not to insult or to oppress each other, and if any other nation should act unjustly or oppressively, each is to exert her good offices to bring about an amicable arrangement of the question, thus showing her friendly feelings.

At the Washington Conference and on other occasions, America gave pledges to respect China's sovereignty and integrity. Because of these and other assurances of friendship China looks to America more than to any other nation to stand for justice and for a square deal. She looks to America to lend a helping hand to insist that justice and fair play be done in the Shanghai case. She looks to the United States to take leadership in the removal of those limitations which handicap China's national progress. The present crisis thus affords America a unique opportunity to render China a lasting service, not only for China's good but also for her own interest as well as for the interest of the world.

The public sentiment in America, both official and otherwise, is most sympathetic toward the claims of new China, and I feel I will be voicing the sentiment of my people when I say that we sincerely hope that this sympathy will soon be crystallized into concrete forms of action.

STATEMENT ON BEHALF OF THE CHINESE MEMBERS OF THE
CONFERENCE

DR. CLARENCE K. S. YOUNG

Although I am officially connected with the Chinese Legation at Washington, in reading the following statement I am acting only in the capacity of an individual and as the mouthpiece of the Chinese group attending this Conference, a group which I think we might call the unofficial Chinese delegation.

On behalf, therefore, of the Chinese unofficial delegation, I wish to express our gratitude to the Committee of Arrangements for giving us the opportunity to participate in this Conference. We Chinese appreciate the liberalism and courage of the American people in their splendid effort to settle a moot question by frank discussion.

The Chinese group includes representatives from various walks of life—educators, church workers, physicians, business men, journalists, and students. Although we do not represent the Chinese people in any formal way, (since we did not receive mandates of any kind), yet our attitude is such an exact replica of that of the millions at home that we have all the qualifications of a representative delegation.

Our people are now, as they have rarely been during the last fifteen years, united for a common purpose. The whole nation joins to point out to the Powers that conditions, which necessitated the existence of extraterritoriality and the conventional tariff, have, in the course of almost a century of development, so changed that these impairments of China's sovereignty must now be removed. As Secretary Kellogg so well said in his address before the American Bar Association, both conventional tariff and extraterritoriality were instituted:

merely as a *modus operandi*, devised to meet and remedy a condition which had become a fertile source of friction in the relation between China and the Powers.

Now that the continued operation of the *modus operandi* would in itself be a fertile source of friction in the relation between China and the Powers, it is high time to adjust ourselves to the needs of the changed circumstances.

That the conditions in China have materially changed is a subject on which there is practical unanimity of opinion. Not only have American publicists and scholars so remarked, but the American Government has also, on more than one occasion, made substantially the same observation. It is found in the address of the Hon. Frank B. Kellogg, dated September 2, and it appeared also in the joint note of the Powers addressed to the Chinese Government.

Minister Sze has presented to the members of the Conference the question of how the changed situation should be met. May I outline for your consideration how the Chinese people would like it to be met? Briefly stated, we, the Chinese people, ask for the full, immediate and specific restitution of our tariff autonomy and the abolition of extraterritorial rights. I say "full"

because we shall not be satisfied with merely a part; "immediate" because a remote promise will necessitate more definite promises in the future; and "specific" because general assumptions of conditional obligations have usually proved futile. Minister Sze has emphasized the importance of being specific. We are running the risk of redundancy only because of the extreme importance of the point. It is not an extravagant demand, for by asking this we are seeking to insure ourselves the mere right of existence. If China is to be in any way allowed to develop her national life freely, these handicaps must be fully, immediately, and specifically removed.

Not infrequently we, especially the students, have been accused of radicalism and Bolshevism. If an earnest effort to redress certain of our national grievances is radicalism, we are not ashamed to admit ourselves as advocates of such. If an enlightened patriotism towards one's motherland is Bolshevism, then Bolshevism has made a valuable contribution to civilization.

Again, sometimes we are charged with being unreasonable in our requests. May I say that we are willing to listen to, as we have listened to, and to respect, as we have respected, any and all arguments that may be made against the position that we have taken. We are requesting consideration for our point of view and do this only on the promise that we will seriously consider those of others.

The Chinese delegates are not here to participate in the determination of an American policy. We are here only to present our views for your reference and information. We shall not intrude upon your discussions unless absolutely necessary, or unless we are asked to do so in the form of questions. This is an assembly of Americans for the exchange of American opinions. I deem it already an excessive courtesy to us to have been invited to attend the Conference and also to me in being allowed to occupy as much of your time as I have done. But in these meetings our contemplated silence, it is hoped, will not be interpreted in any way as perfect agreement with all the sentiments expressed.

Before I close, permit me to reiterate our position that the Chinese people ask for the *full, immediate* and *specific* restitution of our tariff autonomy and the abolition of extraterritoriality. We submit this for your serious and favorable consideration and, as I have said before, we are willing to listen to and to respect all the opinions you may bring forth against our position.

WHAT CHINA DEMANDS¹

While reports of the negotiations between China and the interested Powers since the Shanghai shootings of May 30 contain frequent references to various Chinese "demands," few statements distinguish between the host of manifestoes and resolutions circulated by unofficial groups, and the official demands supported by the Chinese Government. This Bulletin will set forth the complete list of demands presented up to the present time by China, with

¹A Bulletin issued September 10, 1925, by the Editorial Information Committee of the Conference on American Relations with China.

such supplementary information as is necessary for a clear understanding of the points therein.

The only demands formally presented by the Chinese Government consist of thirteen points originally drafted by the Chinese General Chamber of Commerce in Shanghai as terms for settlement of the May 30 affair. These thirteen demands may be grouped for convenience in two sections. The first, covering seven points, deals directly with the shooting of May 30, and calls for apology, compensation, punishment of offenders, release of Chinese arrested, reinstatement of strikers, and betterment of labor conditions. The second deals with general questions long a source of friction, which according to the Chinese were the underlying causes of the Shanghai affair. These demands, six in number, include revision of the Mixed Court, municipal franchise for Chinese ratepayers in the Foreign Settlement, freedom of speech and the press, and withdrawal of several proposed municipal (Shanghai Settlement) statutes.

The Chinese General Chamber of Commerce, with 530 members, represents the largest and most influential commercial and banking interests in Shanghai. In presenting the thirteen demands this body was supported (according to the foreign press, it was coerced) by the more radical Amalgamated Union of Commerce, Labor, and Education, which managed the general strike. In the latter body are included the Chinese Students' Union (National), the Shanghai Students' Union, the Federated Street Unions, representing more than 10,000 small shopkeepers organized by streets, and many smaller trades unions. Although differences of opinion later developed between the more radical and conservative elements, it is safe to say that the great bulk of Chinese organized opinion stands behind these demands.

Universal agreement in regard to the manner in which the thirteen demands were drafted by the Chamber of Commerce is lacking. According to the foreign press and Shanghai municipal officials, the meeting at the Chamber of Commerce was attended by students and various radical labor groups, who forced the hands of the "more stable elements" of the Chamber itself. Information from Chinese sources states that the Chamber formulated its demands without coercion. On the following facts, however, there is general agreement: Prior to the drafting of the thirteen demands by the Chamber of Commerce, the Joint Committee of the Commercial, Labor, and Educational bodies (the executive of the Amalgamated Union) drew up a series of demands for submission to the Municipal Council. These demands, also thirteen in number, were far more radical than those subsequently adopted by the Chamber. They included immediate abolition of extraterritoriality, withdrawal of British and Japanese gunboats, return of the Mixed Court to China, appointment of a Chinese Commissioner of Police for the Foreign Settlement, and eligibility of Chinese to sit on the Shanghai Municipal Council.

When the Chamber of Commerce met, with representatives of the students and labor and commercial bodies participating, the more radical of the above demands were dropped, and several others materially modified on the

ground that they were inconsistent with existing treaties, or impractical at the present time.

The thirteen demands of the Chamber of Commerce were officially presented to the Chinese Commissioner of Foreign Affairs at Shanghai, and submitted by him to the Diplomatic Delegation from Peking sent to negotiate for a settlement with the Chinese Commissioners. The demands of the Amalgamated Union, however, were also submitted to the Chinese Commissioners.

On June 18, after holding three sessions, the conference of the Diplomatic delegation and the Chinese Commission adjourned. The Diplomatic delegation, on leaving Shanghai, published a statement in which it declared that agreement was impossible due to the fact that the Chinese demands (except those directly related to the May 30 affair) went beyond the scope of their instructions. The report of the Diplomatic delegation has not been published to date, nor have its findings ever been released.

Following the breakdown of the negotiations in Shanghai, the Chinese Foreign Office in Peking transmitted to the Diplomatic body on June 24 a note containing the thirteen demands of the Chamber of Commerce. The reply of the Powers to this note, according to the Associated Press, is being formulated by the diplomatic body on instructions from the interested Powers. It had not been presented, however, at the time of this writing.

OFFICIAL TRANSLATION OF THE THIRTEEN DEMANDS PRESENTED BY THE CHINESE
GENERAL CHAMBER OF COMMERCE

1. Cancellation of state of emergency.
2. Release of all Chinese arrested in connection with this affair and restoration to original state of all educational institutions in the International Settlement sealed and occupied by the authorities.
3. Punishment of offenders. To be suspended pending investigation and thereafter to be seriously dealt with.
4. Compensation for the dead and wounded and for the damage sustained by the laborers, merchants and students in connection with this affair.
5. Apology.
6. Rendition of Mixed Court. Complete restoration of the state consistent to the provisions of the treaties. When any Chinese is prosecuted under the Criminal Code of the Republic of China or under the Municipal By-laws the prosecution shall be in the name of the Republic and not that of the Shanghai Municipal Council.
7. All the employees of the foreigners, seamen, and workers of mills or factories and others who turned out on strike in sympathy shall be reinstated and their wages during the period of the strike shall not be deducted.
8. Better conditions for the laborers. Any laborer may work or not on his own accord and shall not be punishable for refusal to work.
9. Municipal franchise.
 - (a) The Chinese may participate in the Municipal Council and ratepayers' meetings. The ratepayers' representation on the Council shall be in proportion to the amount of the rate payable and paid to the Municipal revenues and the qualifications for franchise of the Chinese shall be similar to those of the foreigner.
 - (b) For the purpose of the franchise, distinction shall be made as to the

beneficial and trust (or legal) interests of property; with the beneficial interest. The right of franchise shall accompany and, in the case of the trust interest, such right shall be exercised by the beneficial owner thereof.

10. Restraint to construct roads beyond boundaries. The Shanghai Municipal Council shall not construct roads beyond the Settlement boundaries; those roads which are already so constructed shall be unconditionally turned over to the Chinese Government.

11. Withdrawal of the resolutions concerning printed matter, increase of wharfage dues and licensing of exchanges.

12. All Chinese residents of the Settlement shall have liberty of speech, assembly, and publication.

13. Dismissal of the Secretary of the Municipal Council, E. S. B. Rowe.

The directors of the Chinese Ratepayers' Association at a meeting held unanimously endorsed the demands addressed to the Foreign Commissioner.

INTERPRETATION OF THE DEMANDS

With the exception of the last part of No. 2 the first five demands, and also the seventh and eighth, all of which deal directly with the situation brought on by the May 30 shooting, are sufficiently clear from the text. The reference in the last section of No. 2 to the restoration of educational institutions is in protest against the action of the Consular Body in quartering American and other marines in Chinese schools and universities located in the Foreign Settlement. The remainder, dealing with questions indirectly related to the disturbances, may require additional explanation.

6. *Rendition of Mixed Court*.—This demand refers to the action of the Powers in 1911, when they took over complete control of the Shanghai Mixed Court. Before 1911 the Chinese Magistrates on the Mixed Court were appointed by the local Chinese authority, and paid from Chinese sources. During the revolution, when the Imperial Government was overthrown, the Treaty Powers assumed control of the Mixed Court in order that it might continue to function, and appointed the Chinese magistrates through the Consular Body. This foreign control was not surrendered after the Republic was recognized by the Powers, despite the fact, as W. W. Willoughby points out, that "there was no legal or other treaty right empowering this action on the part of the Treaty Powers."¹ The Chinese now demand restoration of the status existing before the revolution.

9. *Municipal Franchise*.—Under existing regulations Chinese residents in the Foreign Settlement, despite the fact that they pay more than eighty per cent of the taxes, are without franchise or representation on the Municipal Council or governing body of the Settlement. Furthermore, a large amount of property in the Settlement is registered in the name of foreigners as trust for Chinese owners. The Chinese demand the franchise on the basis of the rate paid, without distinction as to nationality.

10. *Restraint to Construct Roads Beyond Boundaries*.—This demand is the result of a controversy between the Chinese and foreigners over the right of the Municipal Council to build roads beyond the Settlement boundaries.

¹ "Foreign Rights and Interests in China," by W. W. Willoughby, p 61.

Crowded conditions in the Foreign Settlement led to the construction of foreign residences and business houses in Chinese territory, the land being purchased by individual foreigners and by real estate companies. The Municipal Council, in order to establish communications with the new communities, built a number of roads and highways radiating from the Settlement boundaries, the land for such being purchased for that purpose. These roads, being the property of the Settlement, automatically came under the jurisdiction of the Municipal Council, and as such, had the same status as land within the Settlement boundaries. The roads are policed by the Settlement force, and, legally, Chinese police and Chinese troops are prohibited from crossing them. This condition led to considerable friction, and repeated protests on the part of the Chinese, who claimed that the Settlement was illegally extending its boundaries. The Chinese now demand return of all roads constructed by the Municipal Council and restraint to construct new roads.

11. *Withdrawal of Resolutions Concerning Printed Matter, etc.*—For some time past resolutions for amendment of the by-laws to permit control and censorship of the press (affecting Chinese papers printed in the Settlement), and to increase wharfage dues (involving Chinese river traffic), have been introduced at the ratepayers' meetings. These measures have been strenuously opposed by the Chinese, who now ask that they not be introduced again.

12. *Freedom of Speech, etc.*—This demand is a result of the frequent arrest of Chinese students and others by the Settlement police on the charge of distributing incendiary literature and contributing to general unrest.

FURTHER REQUESTS OF THE CHINESE GOVERNMENT

While the thirteen demands reproduced above are the only ones officially presented and transmitted to the Powers in the name of the Chinese Government, two of the recent notes from the Chinese Foreign Office to the Powers justify passing mention in that they reflect fundamental aspirations of the Chinese Government and the Chinese people.

The first of these notes was handed the Diplomatic Body in Peking on June 24, at the same time that the thirteen demands were transmitted. It suggests revision of the so-called "unequal treaties," and argues that with the readjustment of these treaties the satisfaction of Chinese aspirations for equality would strengthen the friendly relations with foreign Powers. The note further mentions promises made China during the World War.

The reply of the Powers was presented September 4 in the form of identic notes by the nine Powers party to the Washington Conference treaties with China. The notes reflect a willingness to give a full and sympathetic hearing to China's aspirations, and are in accord with the policy pursued by the United States at the Washington Conference. The United States' note, which corresponds with those of the other Powers, states that this Government is now prepared to consider China's proposal for modification of existing treaties "in measure as the Chinese authorities demonstrate their willingness and ability to fulfill their obligations and to assume the protection of foreign

rights and interests now safeguarded by the exceptional provisions of those treaties." The note adds that this Government is ready to appoint its commissioner to sit with the Commission provided for in Resolution V of the Washington Conference with a view to investigating the possibility of revision of the treaties.

The second note was handed the Powers in connection with the forthcoming Customs Conference to be held in Peking October 26 in accordance with provisions of the Nine-Power Customs Treaty signed at the Washington Conference and recently ratified. It serves notice on the Powers that they are expected to bring up the question of tariff autonomy at the October Conference, and reminds them of the reservation made in this connection by China at the Washington Conference.

In the same note, presented September 4, the Powers express their willingness to participate in the Customs Conference, and also their readiness to discuss at that time, or a subsequent time, "any reasonable proposal that may be made by the Chinese Government for revision of the treaties on the subject of the tariff." The words "tariff autonomy," mentioned in the Chinese note, were said to have been deleted from the original draft of the American reply at the urgent request of the Japanese Government.

AN AMERICAN'S INTERPRETATION OF THE CHINESE POINT OF VIEW

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In attempting to interpret the relationship of America to the present situation in China as seen by one who has quite recently come from there, the first and indeed the one all-important fact to which I would call attention is that the present real government of China is public opinion.

The Provisional Government now functioning in Peking merely puts official sanction upon the popular voice. Those men could not stay in office if they failed to express and to endorse the will of the people, and, as a matter of fact, they are all in the heartiest sympathy with it. Never before in their long history have the Chinese people been so nearly unanimous, so well informed, and so deeply stirred as they are now over this issue of their sovereign rights in relation to other countries. The phenomenon of a vast populace which, for the last fourteen years, since the overthrow of the Manchu Dynasty, has been notoriously distracted by factional differences, now unified at least so far as concerns their demand for the revision of unequal treaties, is one of surpassing significance.

The Chinese people, without exception, so far as I have observed, are at one in this sentiment. The students, held largely responsible, are merely the most highly sensitized part of the population. This nationalistic self-consciousness has been slowly forming for many years, more recently with amazing celerity; but it formed into a ferment of vivid and violent energy immediately on hearing of the shooting affray in Shanghai on May 30th. It has become

highly organized and is quite articulate. It is a striking instance of real democracy, this sheer, unmitigated rule of the whole people on a living issue, with all the idealism and all the dangers of such a situation.

If this same passionate emotion can be applied with equal earnestness to the internal reforms and local self-government which China needs, it augurs hopefully for the future of the young Republic of China, just as it has its roots deep in their age-long past. Mencius, four centuries before Christ, justified the people in revolting against the tyrant who, in their quaint phrase, had "exhausted the will of heaven." The tyrant, in the present case, is the combination of foreign powers keeping China in subjection by their treaties.

Another aspect of this popular feeling suggested by the reference to China's great sage is that the emotion which has so stirred that people springs from the soul of the nation which, more than any other perhaps in human history, has always been primarily concerned with moral issues. The philosophy of China is moral philosophy. Its history is the study of moral causes and consequences. Its culture deals with ethical values. The Chinese may not always live up to their own high standards, but at any rate their basic interest is in human behavior, and they possess to a remarkable degree an instinct for appraising it. Their indignation over the recent occurrences and those pent-up grievances brought afresh to their attention by these occurrences, is not in their own thought anti-foreign as such; it is moral. Their plea is based upon the essential rightness of their case.

A realization of the dominant influence of public opinion in China to-day clarifies for us in several ways the task of this Conference. For one thing, it ought to unite in a common effort the various groups of Americans interested in China, for whether that interest be as government officials, as business men, as missionaries and their supporters, as publicists, as travelers, or merely as friendly observers, we all desire and we depend for our success upon the good will of the Chinese people. This means that public opinion must be convinced of the sincerity and the high principles which govern all of our dealings with their country. The danger is that we may be divided by practical as against idealistic or altruistic considerations, whereas I contend that the only practical course of action is to win by fair and frank and fearless friendliness the trust and the respect of that great people.

It is only to put the same idea with another emphasis to insist as a second consideration that in the present situation force is entirely futile. To attempt to protect our interests or to enforce our policies by military or naval power would merely inflame further the already highly excited national mind. If we were dealing with a firmly established Government, this time-honored expedient of our Western world might achieve something. But it is of no avail when the nominal Government could not accede to any demands upon it which the popular will would not approve. The very weakness of the Chinese political organization is the strength of the Chinese position. The Chinese have weapons—economic boycotts, strikes, and, in general, non-cooperation—which can accomplish more than all the armies and gun boats which might

be sent against them, weapons incidentally more humane and civilized than our own. And the Chinese are fully conscious of their power.

A third implication, in a time when public opinion is regnant, is that it becomes abnormal with delayed remedial action. It is aggravated by rumor; newspapers cater to it by prejudiced editorials and often by deliberately false news items. It is exploited by propagandist agencies. The condition becomes pathological. We need only recall our own war psychology. This is now taking place on a huge scale in China and becoming worse with the passing of time. It is nearly four months already since May 30. The problem is becoming one not merely of settling the issues involved on their intrinsic merits, but also of first breaking through the crust of suspicion and embittered disillusionment which has been hardening through an entire summer.

To have made as yet no gesture of sympathy as Governments, to have given no expression of regret over the recent fatalities, or of readiness to help in removing the provocation for similar happenings hereafter, seems from their Oriental viewpoint to reveal that attitude which they have feared and of which busy and plausible propagandists have been warning them; an attitude on our part of Nordic superciliousness, of imperialistic and capitalistic exploitation, of self-seeking domination on a white man's planet. Do not misunderstand me. I am not making any reflection upon our Government, but am merely trying to interpret to you what seems to me to be the Chinese point of view. We have not, when all has been said, dealt with occurrences on the soil of Asia in the Oriental way. Had conditions been reversed, China would have treated Britain in a very different manner. There would have been some sort of prompt and courteous expression of regret and of a desire for proper settlement. It is worth our notice that Japan has done that very thing and that the anti-Japanese activities apparently are becoming more and more perfunctory.

This leads to the fourth implication which seems to me to lie in the present situation, one in which public opinion is dominant, and that is that the Chinese have always emphasized the amenities of life. Alike in private and in public relations courtesy is never forgotten. In any issue between friends, the thing that is done is always of less importance than the way in which it is done. Lack of manners is literally immoral. The observance of propriety as Confucius taught them reveals the true inwardness of the man's spirit. Now applying all of that to the matters we are to discuss, our blunt straightforward Anglo-Saxon psychology occupies itself at once with the realities of a higher customs tariff, the danger to foreign life and property if extraterritoriality were suddenly canceled, the real estate and other monetary issues in the foreign concessions, and so on. To the Chinese these are first of all symbols of spiritual and human values. The actual and immediate realization of all these demands is to the great majority of them a matter of entire indifference except in so far as it furnishes a process by which we of the West may demonstrate our genuine friendliness, treating the Chinese people racially and politically as equals and even the Chinese Government as potentially what we and they alike desire it to be.

In adjusting the details, the Chinese will be entirely reasonable and forbearing, once we have shown a disposition to treat them as equals and to trust them. But we must show that disposition first, and do it with courtesy and cordiality, not with condescension or as of compulsion. This means perhaps that we must in a certain sense take a venture of faith, all the more daring because so long delayed.

If all this seems to be visionary pro-Chinese sentimentalism, let me only remind you of the one alternative and of what would happen if that vast population became, as it easily can, anti-American, which would mean in effect anti-foreign, with the exception perhaps of one or two nations immediately adjacent to China.

This leads me to speak of the fifth and last implication in the present situation, which is that the Chinese, as other speakers have already pointed out, feel a peculiar friendliness toward America, and that the American people have an equally genuine friendliness toward them, and on the whole a disinterested good will toward China. The splendidly hopeful and easy thing about the problem is that all we need to do is to make articulate and forceful the state of mind and heart which we already have. The Chinese are waiting with a certain eager, frightened expectancy for us to act—eager because of what they have learned to believe of us; frightened because the disillusionment would be crushing. They wonder whether we are going to maintain a position of amiable inactivity, compromising with the other Powers so as to have a united China policy, or whether we will lead in an act of aggressive good will even though it costs us something.

Our response to their desire seems to me to be the supreme question in what may otherwise become an impending cataclysm. The situation is undeniably full of menace, but the menace will be in our failure to take the initiative. A reform of international relations with China can be effectively mediated only through the United States. Great Britain has lost the chance to do generously and graciously what will ultimately be forced upon her. This is our superlative opportunity. Not only so, but I for one am convinced that once the Chinese demands have been properly understood and safeguarded, as the Chinese people would be foremost in insisting should be done in actually putting them into effect, American opinion will agree that those demands are reasonable and righteous. Even though we should have to stand some loss of property or even of life, it would be a small price to pay for the infinitely larger gains.

The scientific inventions of our age are forcing China and all the other nations to live together and to interact upon one another with a new intimacy. Is this life together and this interaction to be friendly or hostile?

Best and most important of all, such a policy on our part would help and hearten the Chinese people to employ in internal reforms that same national self-consciousness which has been awakened by recent foreign issues, and which the Chinese people are at least as anxious to bring about as any of their foreign friends.

The best way to help China put her own house in order is for us first to remove the humiliations and the handicaps in her foreign relations and thus to strengthen the morale and to stimulate the finer urgings of that great people with their noble traditions and their many lovable qualities.

Outstanding Problems in Chinese Affairs

THE FOREIGN RELATIONS OF CHINA¹

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America and China are bound together by strong material ties. They both flank the Pacific, the highway of the commerce of the future and the area of the most serious problems of the next half century. American trade and commerce is already of the first magnitude and will increase enormously if American capital is to participate in bringing the great undeveloped resources of the Orient to human use. But the ties of sentiment which our religious and cultural associations have knit hold us even more closely. It seems a long time ago, as we record history, that American missionary enterprises began in China. It was in 1829. The movement seemed pitifully weak, the discouraging circumstances overwhelming. A difficult foreign language, a highly developed culture little known in the West, indifference and hostility from officials, prohibitions on travel and on the ownership of property, persecution of converts and a seeming indifference at home formed but a few of the obstacles against which the early missionaries contended. Yet in America hundreds of thousands first learned about China and developed an interest in her through these endeavors, and in China, forces were started which are resulting in a great renaissance.

The critical situation in China to-day is largely traceable to the cultural and religious influence the missionaries introduced. They brought to the Chinese schools and hospitals and a desire to know of the learning of the West. One of the most significant movements of history, the sending of thousands of carefully selected Chinese students to the Occident for a Western education that they might return for the dissemination of this culture at home, was strongly affected by missionary influences. The leading force in China to-day is the student. He is directing the groping feeling for nationalism and the demand for a readjustment of relations with the foreign Powers. The Soviets have not created the unrest; they are merely attempting to turn to their own ends forces already at work. Nor is the national consciousness which is being evidenced unwholesome. The Oriental policy of the United States has been to secure, if possible, equal opportunity for all nations in the trade and development of China and to encourage China herself to become a strong enough power to be the guarantor of this equality. If this policy is to be made effective, a nationally conscious, self-respecting country, jealous of her rights, must evolve. The difficulty at this time arises out of the fact that the relations which have grown up between China and the Powers of the West need readjustment. These rest partly on treaty provisions and are partly the result of other concessions. Because of the inter-

¹ One of the "Preliminary Papers" of the Conference on American Relations with China.

dependence of the treaties, it is difficult for any power to act alone, and because of the political chaos now prevalent in China, it has not seemed possible as yet to dissociate many of the matters which should be of domestic concern from international control.

In the usual meaning of the term in international law, a nation is considered sovereign when it is independent of external control in its dealings with other nations and free from dictation so far as the management of its domestic affairs is concerned. If a country is less than sovereign in these respects it is usually because some other Power has come to exercise a directing hand. In such cases the weaker nation is sometimes spoken of as the client of the stronger and other nations take this dependent relationship into consideration in all dealings they may wish to have with the client, since the client is not a full member of the family of nations. But while China is considered a fully sovereign State, she has many limitations placed upon her which affect the exercise not only of her foreign relations but also the most important of her domestic concerns. For the maintenance of an independent State, the chief requisites of internal sovereignty are two: first, control over the public finances, both as to the raising of funds and as to their expenditure, and, second, unquestioned authority over the people and property within her jurisdiction. The first permits a State to decide what forms of taxes it will employ and the gravity of the tax burdens. It may prepare its own program of revenue and expenditure. The second applies a principle which formed the cornerstone of the statecraft of Grotius, the Father of International Law, that territory and jurisdiction should be coextensive. China does not enjoy independence in these essential matters and the limitations are in respect to no single Power, but to most of the leading nations of the world. The restrictions have been established usually by treaty, and by interlocking clauses, such as "most favored nation" concessions, China has undertaken to grant that all special privileges and advantages she may concede to any nation will be granted to all the rest as well. Since no country wishes to place its own citizens at a disadvantage, practical unanimity is required to effect any material change. Consequently any grievance or counter claim any nation may wish to interject before consenting to a general reform may prevent the carrying out of the program by the other nations as well.

The fiscal limitations under which China is placed are very severe. The most notable are with respect to the Maritime Customs. While other nations have unlimited authority in establishing customs tariffs, either to secure revenue or for the protection of native industries, China has no such right. Nor did the sacrifice of this power bring her reciprocal commercial advantages. By treaty, first with Great Britain following the Opium War, but made universal by the "most favored nation" clauses, China has entered into unilateral agreements to charge no more than five per cent *ad valorem* customs taxes on goods brought into or taken from the country. Goods from China entering other countries may be charged any amount the importing country desires and China's voice is not heard in protest. But even the

five per cent permitted China has been reduced materially in actual practice by a system of agreed values, so that the five per cent is really something less than four per cent. The funds from these customs are collected by a department in which foreigners are employed as principal officers by the Chinese Government.

The sums collected are applied first to the satisfaction of foreign claims against China for which the customs income has been guaranteed as security, and only the surplus is available for the central Government. In a similar, though not in so complete a way, foreigners are concerned with the administration of the salt tax and the wine and tobacco revenue. Nor is it conceded that China should be uninfluenced in shaping her other revenue plans. Foreign pressure has been exerted constantly for the abolition of the *likin*, a troublesome, unscientific tax on goods transferred from place to place within the country. Until China's defeat in the war with Japan (1894), China was free from foreign debt. For one reason or another she has been compelled to obtain money abroad until she now owes almost a billion dollars in gold, including domestic obligations. The loans negotiated by the Chinese, whether foreign or domestic, invariably designate certain revenues to be applied to the interest payments and for the ultimate liquidation of the debt.

The restrictions on the jurisdictional authority of China may be less costly to her exchequer but seem more humiliating. Of first importance among them are to be noted the extraterritorial privileges other nations enjoy. While it is the almost universal rule that persons within a country of whatever nationality, unless they be of the diplomatic corps, are amenable to the laws of that country as interpreted by her courts and administered by her officials, in China citizens of most of the European and American Powers are free from the native laws and answerable only to those of their own respective countries. These laws are applied either by the consuls of the countries of the nationals involved or by special national courts which have been set up for that purpose. Moreover, there are in certain of the larger cities special areas known as "concessions" within which all governmental matters are under foreign control and on occasion the Chinese may be forbidden even to enter these areas. Those permitted to come in may be subject to such restrictions as the foreigners impose. These restrictions are often humiliating. No taxes are paid to China by the foreigners in these concessions but both Chinese and foreigners, living or carrying on business therein, pay taxes to the foreign concession. In the Shanghai settlement, the Chinese constitute over seventy per cent of the population and pay more taxes than residents of any other nationality, yet they have no voice at all in the selection of governmental officials nor influence on their policies. While some matters pertaining to the government of the Shanghai foreign settlement are determined by the foreign rate-payers, the governing commission itself meets in secret session to which none, be he foreigner or Chinese, is admitted. Even in Peking, the national capital, which is not a treaty port, the diplomatic quarter in the heart of the city is governed exclusively by the diplomatic

corps and Chinese are permitted to enter only under limitations. It is as restricted, so far as they are concerned, as though it were a military reservation, this resulting from the Boxer uprising in 1900, when the legations were under siege for two months.

In 1898 there began a series of "leases" under which foreign governments secured control over Chinese territory although sovereignty, at least nominally, remained with the Empire. Under this system Germany acquired Kiaochow in Shantung; Russia secured Port Arthur and the Kwantung Peninsula; Great Britain, Weihaiwei, and Kowloon, opposite Hong Kong; and France, Kwangchow-wan. All of these leases were for ninety-nine years. These arrangements were changed when Japan secured, by the Russo-Japanese war, the Russian lease and by the Treaty of Versailles, the German lease. The latter Japan returned to China under the terms of the Washington treaties of 1922; the former is still in Japan's possession. Until recently, foreign Governments operated post-offices in the principal Chinese cities where foreigners resided. The withdrawal of these was one of the fruits of the Washington treaties. Foreign loans for the building and operation of railways have carried with them a certain measure of foreign control in their administration. Coastwise shipping and shipping in inland waters, which most countries reserve exclusively for their citizens, is engaged in extensively by foreigners. In still another way China's independence has been limited. She has made agreements from time to time that whenever commercial or industrial developments of certain kinds are to be undertaken, these shall be entrusted exclusively to the nationals of certain Powers. These nations do not guarantee that their citizens will utilize these grants; the provisions are merely that no others may be permitted to exploit these concessions. The agreements are unilateral, often made all too casually, and sometimes upon the personal responsibility of an official. They may be unknown to the world at large or even to the Chinese Government itself till objection is made to some development the Government has in view.

But while the Western Powers have many dark pages in the record of their dealings with the Chinese, many of the methods which now seem to impair China's sovereignty most seriously were instituted with no purpose of limiting her independence but as the best solutions at hand for difficult situations, trying to foreigner and native alike. Many of them have greatly profited the Chinese. The limitation on the amount of the customs tariff was contained in the Treaty of Nanking of 1842 and in the commerce treaty of the following year. These treaties opened certain "treaty ports" and provided for "concessions" or "settlements" within them. The provision for a five per cent tariff, which now seems so grossly inadequate, was in lieu of a series of local charges and imposts which had formerly been charged. It was not so much to get a cheap rate as to simplify a complicated and annoying series of practices. This was its chief virtue for the foreigner; for the Imperial Government it provided a form of revenue not enjoyed up to that time, and established an economical and fairly certain method of collection. It was an almost clear fiscal gain for China. The plan of foreign

administration of the Maritime Customs came quite by accident and was not for the purpose of assuring the payment of foreign debts. During the Taiping rebellion in 1853, the question arose at Shanghai as to the proper officials to whom the customs charges should be paid. As a temporary expedient, foreign merchants adopted the practice of declaring their goods and paying the required duties before their consuls. The consuls were to see that these funds reached the proper governmental officials. Soon after, the method was modified so that payments were made to three foreigners, a Britisher, an American and a Frenchman, appointed by the Chinese local customs official. This plan worked admirably and was extended to all treaty ports. It is the most efficient administrative institution in China to-day. It has extended its services to the surveying of rivers and harbors and coastal waters, the establishment of light-houses, the publication of trade statistics, the establishment of the Chinese post-office, of the language schools, and the protection of the public health in port cities. In the disorganized state of governmental affairs its services have seemed almost indispensable. Undoubtedly the Chinese would desire that it should be the last of the foreign controlled institutions to be put entirely in Chinese hands. Yet it would seem to have been administered with too little regard for the fact that it is a service which the Chinese themselves should ultimately control. It has not trained Chinese for the more responsible positions. The head is a British subject and the staff is composed both of nationals of countries with treaty relations and commerce with China and of Chinese. While the appointment of the Inspector General is in the hands of the Chinese, the British Government is not without influence in his selection. His power over the staff is very complete. Nor have the powers hesitated to use the force of their navies to see that these customs officials are uninterrupted in their duties. This is partly because the proceeds of the customs have been pledged for foreign loans.

To those accustomed as we are to the provisions of the English Common Law that everyone is governed by the law of the place in which he acts and is amenable to the authorities of that jurisdiction, the idea of extraterritorial jurisdiction seems abhorrent. But it is quite possible to conceive of a personal jurisdiction which reaches citizens in its law and administration wherever they may go. This was a provision of the Roman Law, one of the greatest juristic systems ever developed. The idea of embodying this plan in treaties and applying it to westerners was first put into effect by Mr. Caleb Cushing who was familiar with similar provisions in Mohammedan countries where they are called "capitulations." China herself, in the early treaties of the seventeenth and eighteenth centuries with Russia, had granted reciprocal provisions for the turning over of nationals who had committed wrong to their officials for punishment in accordance with their own laws. While in adopting the policy of extraterritorial jurisdiction the United States was actuated by the belief that the laws of the Chinese were not sufficiently civilized or humane, and the punishments were barbarous and severe, China did not feel that she was losing any very valuable right in permitting trouble-

some foreigners to be looked after by others, or in allowing the foreigners to govern the areas which had been allotted to them for trade and residence and which, it was expected, would be populated almost exclusively by aliens.

There are, however, a series of limitations of China's sovereignty less easily defended. Some of these are the penalties imposed after war and others are privileges which nations have secured to avoid being placed in positions of disadvantage with respect to other Powers. The first might be illustrated by the indemnities China was forced to pay, and to this end to pledge certain revenues, and the second by the special concessions China has been compelled to make in favor of certain nations. The extreme to which this latter practice was carried is seen in the Japanese Twenty-one Demands. Had these been granted as asked, China would have been little more than a Japanese protectorate. But even with respect to concessions of this character we sometimes lose sight of the fact that many of them were in the nature of policies of protection. China had made concessions to other Powers. Their extent and interpretation were often secret. Nations knew China herself was too weak to protect her rights and feared that unless they themselves joined in the fight for concessions they might be placed at serious commercial disadvantage and might even jeopardize their own territorial integrity.

But whatever were the steps which brought China to her present position, the fact remains that conditions are very much in need of change. The prevailing system is not only bad for China but it is bad also for citizens of the countries which enjoy these special privileges. The Chinese are beginning to distinguish between foreigners. In the early days this was not the case, and the belief was engendered among the masses that the foreigner was a superior sort of being. But since the War conditions have been changing. The Russian émigrés have come in, most of them poor and despised. They have done the work of coolies. They have seemed to have no right even the humblest was bound to respect. And during the War the solid front of the foreigners was broken. The Allies taught that the Germans were deceitful people whose property should be confiscated and whose privileges should be taken away and who should be deported. Evidently superiority was not a matter of color! Possibly the whole idea of white superiority was only a fiction! And now the Germans, the Austrians and the Russians have by treaty given up the special privileges of extraterritoriality. They have no special concessions; they are amenable to Chinese law and are within the jurisdiction of the Chinese courts. Making a virtue of necessity, they have used these renunciations to ingratiate themselves into Chinese favor. The Chinese have appreciated this and as a result these people are in a better position for trade and commercial relations than are those of the treaty Powers. The death of the privilege seems without its sting! And now the spread of nationalism is affecting the problem. Nationalism thrives on adversity. Throughout the country the history of China's wrongs is retold: the unilateral trade treaties; the advantage taken of China's weakness in the matter of the Twenty-one Demands; the foreign holdings at Port Arthur, Weihaiwei, Kowloon and Kwangchow-wan; the personal abuse of the Chinese

in the foreign concessions; injustice in the Shanghai mixed courts and the contrast between the right of the foreigner to enter and reside in China and the right of the Chinese to like privileges in other lands. It is not the anti-foreign movement of the Boxer period proposing the expulsion of the foreigner and the restitution of the old China of a century ago, but it is a demand for a new China with strong foundations in the determined will of the Chinese people.

The initiation of any movement for changing the treaty situation is made more difficult by the practice of the Powers of acting with respect to China in concert. This is partly the result of custom. This same custom delayed for many years the full recognition of Japan as a modern nation. It is partly the result of the treaties themselves which permit each Treaty Power to enjoy the same privileges any other nation may be granted. It is partly the result of the jealousies with which each nation watches the seeming advantages of the others. This need for concerted action was recognized in the calling of the Washington Conference and an effort was made to adjust matters of gravest moment by treaty agreement. Foreign post-offices were abolished, provision was made for an increased tariff, a plan for examining the extra-territorial situation was evolved and agreement was reached that no nation would take advantage of the disordered state of affairs to secure special privileges. But the very fact that the Powers in 1922 entered into treaties for improving the conditions makes independent action by any of these Powers more difficult. At the same time the history of these treaties shows that the Powers are governed by no spirit of magnanimity in shaping their course and that too much cannot be expected of such ponderous international machinery. Although China has suffered because of the limitations on her tariff revenue, and the delay in making effective the increases the Nine-Power Treaty provided has cost China millions of dollars each year, both Italy and France delayed ratification pending the settlement of disputes of a quite extraneous character. Italy wished turned over to her certain vessels seized in Chinese ports during the War and France wished assurance that the Boxer indemnity would be paid in gold rather than in her own depreciated currency.

It is idle to speculate concerning the course of China's history had the Westerners let her alone as she wished they would. China might have remained isolated if the Western world had not developed as it did in industry and commerce. Whether China would have been better off is another question. Foreign influences have been the dominating factors in China's political life for nearly a century. Foreign control has become so interwoven with her political, commercial and industrial life that it cannot be easily uprooted. Mere withdrawal is no solution; new institutions must first be developed to replace those it is proposed to abandon. If the Powers were to withdraw from the management and control of the Maritime Customs, if the foreign concessions were to revert to Chinese control, and if extraterritoriality were to be abolished, it would be a staggering blow not only to the foreign interests which have acquired legal rights under the treaties but also to the Chinese themselves. When Japan moved for the removal of similar restric-

tions she had a strong unified government in complete mastery of domestic affairs. Yet a period of over twenty years elapsed during which her civil and criminal law were developed and codified and her court system established and strengthened before the Western nations felt justified in the removal of juristic restrictions. Japan is a proud nation. She felt keenly the humiliation imposed upon her. Yet there are few of the Japanese who regret the course pursued in their own case or believe that the quicker way would be the better one for China, sympathizing though they do with the Chinese in their present plight. Something has already been done in China in the establishment of courts and the preparation of legal codes. Nevertheless, there is an insufficient number of trained judges, prosecutors, courts, or jails for the maintenance of any system of justice worthy of the name. The Powers represented at the Washington Conference were quite willing to select delegates to a conference for the study of the judicial system with a view of determining in what way and when the extraterritorial system might be modified or withdrawn. Happily the Powers are planning a conference to be held in October of this year to consider the revision of the Chinese tariff. It would be well if some way might be found to grant an even larger measure of autonomy than the Washington Conference contemplated.

But with all these matters the situation is embarrassed by the fact that China has no government capable of speaking in her name or of inaugurating the needed changes and has not had since these matters came to be of major importance. In fact the leaders in the demand for reform are loud in their protests that the Peking Government is not to be trusted. With whom then are the Powers to treat? Eighty per cent of the people are illiterate and until now have been inarticulate. It is possible to distinguish between the rulers of a nation and the people themselves, but when it comes to the establishment of legal institutions, it is difficult to treat except with the regularly constituted authorities. It will be a matter for careful statesmen to unravel the tangled skein of Chinese treaty relations. There is too much truth in the propaganda of the anti-foreign and anti-Christian agitators and too much of a foundation of fact for the Soviet missionaries to build upon. The world has an unsolved problem in its relations with the great Russian State in Europe and Asia. We cannot afford to drive to their banner this great nation immediately to the south of them. And while we are in doubt as to the remedy which should be applied, it is helpful to note that it is the spirit rather than the letter which is most sorely in need of rectification. As we have observed, these limitations, in the main, were not imposed on China to humiliate her or to place her in subjection. In themselves they need not have been galling. But they have been applied in an intolerant spirit. We have preached the doctrine of love and in many of our relations with the individual Chinese have shown scarce human consideration. We have educated their students in the institutions of democracy and taught them of political liberty, yet we have acted as though they were a subjected people in the concessions which have been granted us on their own territory. We have insisted on the open door of trade opportunity yet have denied them privileges

similar to those we have insisted should be ours. Whatever the program of reform is to be, we must first set ourselves right with the Chinese. When we convince them of the sincerity of our desire and the disinterested character of our purpose, we are in a position to begin our inquiry. These problems may then be approached, not by foreigners designing a system for China, nor placidly remaining in *statu quo* waiting for the Chinese to work themselves out, but in cooperation with the Chinese, studying and planning the steps by which China may at the earliest moment consistent with true progress, establish herself in full control of the rights and be fully conscious of the responsibilities of a respected, honored, and influential member of the family of independent nations.

EXTRATERRITORIALITY IN CHINA¹

By PROFESSOR W. W. WILLOUGHBY

It is a fundamental principle of public law, recognized by all modern civilized States, that every sovereign political body has the exclusive right to exercise political jurisdiction within its own territories. It results from this that, whenever one State exercises authority within the borders of another State, it is assumed to have obtained the consent of that State. The jurisdiction thus exercised is spoken of as extraterritorial when viewed from the standpoint of the State within whose territory it is exercised, and extraterritorial when regarded from the point of view of the State which exercises it. Being in derogation of a general right, all claims to extraterritorial jurisdictional right need to be specifically justified and construed with the utmost strictness.

In the case of China, from the beginning of their intercourse with that country, the Western Powers refused to recognize the territorial jurisdictional rights of its Government, and, since 1842, as a result of wars and other pressure, have succeeded in compelling that Government to enter into treaties whereby the so-called "Treaty Powers" are granted the right to exercise jurisdiction in a variety of ways within the territory of China. Thus foreign "settlements" or "concessions" in various of the larger cities of China have been provided for over which the foreign Powers have almost complete administrative authority, and their nationals in China, when defendants in either civil or criminal proceedings, are exempted from the Chinese jurisdiction and entitled to be tried in the courts and by the laws of their own countries.

It is this exemption from Chinese jurisdiction of the nationals of the Treaty Powers which is ordinarily meant when the matter of extraterritoriality in China is spoken of, and it is specifically with this phase of the situation that the present statement will deal.

This extraterritorial jurisdiction is for the most part exercised by the consular officers of the Powers concerned. Great Britain and the United

¹One of the "Preliminary Papers" of the Conference on American Relations with China

States, however, have each established a special court for the trial of the more important cases.

The American Court, known as the United States Court for China, has existed since 1906. As provided by an Act of Congress establishing it, this court holds sessions at stated periods in Canton, Tientsin, and Hankow, and elsewhere when required, has concurrent jurisdiction with the American consuls over petty cases, and has exclusive jurisdiction of all cases in which Americans are defendants and which, if civil, involve more than \$500 of money or property, and, if criminal, may warrant a punishment exceeding \$100 fine or imprisonment for sixty days, or both. The trial of all other cases is before the American consuls, from whose decisions, however, an appeal may be taken to the Court, from whose judgments, in turn, appeals may be taken to the Circuit Court of Appeals of the ninth judicial circuit in the United States. In Shanghai the judicial powers of the American consul-general are exercised by a commissioner appointed by the judge of the United States Court for China.

The specially created British Court, established in 1865 by an Order in Council, is known as His Britannic Majesty's Supreme Court for China and is given exclusive original jurisdiction, civil and criminal, for the district of the consulate of Shanghai, and concurrent jurisdiction, civil and criminal, with the consular courts in the other parts of China. There is also in Shanghai a British police court of limited jurisdiction to which the judicial power of the British consul-general has been transferred.

Besides the courts that have been mentioned there exists in Shanghai a tribunal spoken of as the "Mixed Court." This court is misnamed, since it is not competent to try suits in which the plaintiffs and defendants are of different nationalities, as are the mixed courts in Egypt, but is limited to the hearing of cases in which Chinese are defendants. This court is, in fact, a Chinese court, presided over by Chinese judges, but with representatives of the Treaty Powers sitting by their side and known as assessors. In theory these assessors are present simply to see that the interests of their fellow nationals are properly protected, but, in fact, they ordinarily dominate the courts in which they sit. Since 1911 the Mixed Court, at Shanghai, has been absolutely controlled by the Treaty Powers. The assumption of this control was justified by no treaty right and the Chinese authorities have repeatedly, but vainly, urged that this control be surrendered.

The only justification advanced by the Powers in support of the maintenance by them of extraterritorial courts in China has been the claim that the Chinese laws, as regards both their substantive provisions and their modes of administration, do not satisfy the ideas of the Powers as to what is just and expedient. They claim, among other things, that the Chinese criminal laws are often too severe, that a due distinction is not made between civil and criminal acts, that the principle of vicarious responsibility is pushed to undue lengths, that Chinese judges and other court officers are not always impartial, and, finally, that the laws which they enforce are not definite or uniformly applied.

These criticisms of Chinese laws and judicial administration may have a certain basis of fact, but no one of these Treaty Powers would admit that, should its laws and their modes of administration be deemed unsatisfactory by other Powers, these Powers should be allowed to extend the authority of their laws and judicial tribunals over their nationals residing within its own territory. China has agreed to this but only because she has been compelled by the superior might of the other Powers to do so.

Whatever advantages may result from the exercise by the Powers of extraterritorial rights in China, the following objections to the system exist:

1. The whole system is in derogation of the dignity of a great and civilized people.

2. Because of this, its enforced existence tends powerfully to create an anti-foreign feeling.

3. The system deters China from opening up her entire territory to unrestricted commercial intercourse.

4. It necessitates a multiplicity of courts, that is, different courts for the nationals of each of the Powers that enjoy extraterritorial rights.

5. It necessitates the appreciation of diverse laws. Thus, if several persons of different nationalities are engaged in the same transaction, not only must each of them be proceeded against in different courts, but their legal rights and responsibilities must be determined by different laws.

6. In not a few cases, it is found that there are no laws applicable to the facts involved.

7. The Chinese injured by the criminal acts of nationals of the other Powers have in many cases no convenient way of knowing whether the sentences imposed are actually carried out.

8. In some cases the inconvenience of taking the offender before the nearest consular court as required by the treaties, and then of producing the necessary witnesses or other evidence, makes it practically impossible for the Chinese who have been injured by the acts of foreigners to take any action whatever in order to obtain redress. As to this, the following may be quoted from a recent volume by a highly educated Chinese scholar, Dr. Ching-Lin Hsia, entitled "Studies in Chinese Diplomatic History." Dr. Hsia says:

It is universally known that a Chinese is not in the habit of seeking justice at the law courts, and least of all at foreign institutions of which he knows nothing. Therefore it is not to be expected that a Chinese would bring any ordinary complaints against any British [or other foreign] subject to the "nearest consul," whose consulate may be situated at a distance of one, two, or five hundred miles away from the place where the civil [or criminal] injury took place, even if he could be sure that justice was on his side and he could afford the necessary expense and trouble to undertake the required journey thither to receive his scanty justice. . . . Few Chinese know anything about treaties and fewer still understand the working of them. . . . In China there exist no such professional lawyers who can explain this complicated system to an intending plaintiff and furnish him such information as to enable him to proceed confidently to the particular consulate of the district. . . . Thus, in theory, a Chinese may always have

redress against an alien in his consular court; in practice, however, there are many difficulties in the way of language, difference in court procedure, disparity of punishments of the two systems, and the complexities of Western law. The natural result is that the Chinese would decide to swallow his grievance without recourse to law, and he would console himself with a bitter determination that never again would he have any more dealings with foreigners.

9. From the very nature of this authority the extraterritorial courts have little or no authority over the plaintiffs in the suit brought before them. From this lack of authority it results that these plaintiffs cannot be punished for perjuries or contempts committed by them in the course of the proceedings. Furthermore, these courts are not competent to consider legitimate set-offs or counterclaims which may be brought forward, the validity of such set-offs or counterclaims being determinable only in the Chinese courts, since they are in the nature of actions in which the Chinese appear as defendants.

10. In general, the extraterritorial courts, being held by consuls, are not administered by persons technically trained in the law. The justice that is had is thus often of the most haphazard character. In many cases there is no appeal from consular decisions for the correction of legal errors, and, when there is a right of appeal, the costs, in most cases, are sufficient to deter the plaintiffs from exercising the right.

11. Finally, it cannot be denied that the consular or other officials holding the extraterritorial courts are under a strong temptation, which in many cases they cannot resist, to favor the sides of their own nationals who are the defendants in the cases brought before them. The partiality thus displayed is undoubtedly considerable, and in the consular courts of certain countries is so great that almost never is a verdict against the defendant obtained.

The foregoing unsatisfactory features of extraterritorial jurisdiction, which, for the most part, are inherent in the system itself, are, in China, intensified by reason of the fact that not only do many Chinese from Formosa claim immunity from Chinese jurisdiction upon the ground that they are Japanese subjects, or Chinese from the Philippines on the ground that they are American citizens, but commercial companies, which are Chinese owned, secure a similar extraterritorial status by obtaining foreign charters of incorporation. So, also, Chinese-owned land is, for the same reason, often registered in the names of foreign nationals. Still further, frequent attempts are made by the Treaty Powers to withdraw from Chinese jurisdiction persons who are not their own nationals but whom they claim to have naturalized or adopted as "protégés."

The "China Year Book" for 1924-1925, p. 265, gives the following information regarding the Powers which, at the present time, are entitled to exercise extraterritorial jurisdiction in China:

The countries that have treaty rights in China are Belgium, Brazil, Denmark, France, Great Britain, Italy, Japan, Netherlands, Norway, Peru, Portugal, Russia, Spain, Switzerland, and the United States.

Sweden agreed in her Commercial Treaty with China, signed in 1908

(Article X), to relinquish consular jurisdiction as soon as all other Powers have agreed to relinquish their extraterritorial rights.

Bolivia has agreed, in an exchange of Notes, that the "most favored nation" clause of Article II, of the Treaty of 1919, does not imply that Bolivia is entitled to extraterritorial rights in China.

Persia also, in a treaty concluded with China in 1920, agreed, in Article IV, that "in all civil and criminal cases to which Persian subjects are parties, they shall be subject to Chinese law and jurisdiction."

Germany and Austria-Hungary lost their extraterritorial rights when China declared war upon the Central Powers in 1917, and they were not restored by the subsequent Treaty of Peace made between China and these Powers. Citizens of these Powers are now, therefore, subject to Chinese jurisdiction.

It is unlikely that China will concede extraterritorial rights in any future treaties, and there has been a tendency of late to resist the claims of consuls of Treaty Powers to enforce them in respect of subjects of Non-Treaty States who are registered as protégés.

By the Sino-Russian Agreement of 1924 (Article XII), Russia renounced all rights of extraterritorial and consular jurisdiction in China.

By Declaration VI, annexed to this agreement, the Government of China and the Union of Soviet Socialist Republics agreed to establish provisions for the regulation of the situation created for the citizens of Russia by this relinquishment of extraterritorial rights.

At the Paris Conference of 1918, the Chinese Delegation, after referring to five legal codes that were then in course of preparation, and to various reforms in judicial procedure that had been, or were about to be, instituted, vainly urged that the Powers should agree to the abolition of the entire system of extraterritoriality as soon as these codes were completed and promulgated and modern courts established in the districts where foreigners are in residence. The delegation furthermore asked that the following changes should be immediately made:

That every mixed case, civil or criminal, where the defendant or accused is a Chinese, be tried and adjudicated by Chinese courts without the presence or interference of any consular officer or representative in the procedure or judgment.

That the warrants issued or judgments determined by Chinese courts may be executed within the precincts of any building belonging to a foreigner, without preliminary examination by any consular or foreign judicial officer.

At the Washington Conference, held in 1921-1922, the Chinese Delegation again urged that China be relieved from the necessity of recognizing the extraterritorial status of the nationals of the Treaty Powers within her borders, and asked that a definite date be fixed when this would be done. In the meantime, it was requested that representatives should be designated for negotiating with China as to the adoption of a plan for the progressive steps to be taken in order that that result might be achieved. Attention was called to the fact that, in 1902, by a treaty entered into with China, Great Britain, and, in 1903, by similar treaties, the United States and Japan, had declared themselves prepared to relinquish their claims to extraterritorial rights in China when satisfied that the laws of China and their administration were such as to warrant them in so doing. In result, the Powers, other

than China, represented at the Washington Conference adopted a Resolution in which they expressed their sympathetic disposition toward the aspirations of the Chinese Government in the premises; declared that action appropriate to this end must depend "upon the ascertainment and appreciation of complicated states of facts in regard to the laws and judicial system and methods of judicial administration of China," which the Conference was not itself in a position to determine; and resolved:

That the Governments of the Powers above named shall establish a Commission (to which each of such Governments shall appoint one member) to inquire into the present practice of extraterritorial jurisdiction in China, and into the laws and the judicial system and the methods of judicial administration of China, with a view to reporting to the Governments of the several Powers above named their findings of fact in regard to these matters, and their recommendations as to such means as they find suitable to improve the existing conditions of the administration of justice in China, and to assist and further the efforts of the Chinese Government to enact such legislation and judicial reforms as would warrant the several Powers in relinquishing, either progressively or otherwise, their respective rights of extraterritoriality.

This Resolution further provided that the Commission contemplated by it should be constituted within three months after the adjournment of the Conference and that each of the Powers should be deemed free to accept or reject all or any portion of the recommendations that might be made, but that in no case should any of the Powers make its acceptance or rejection of these recommendations or any portions of them dependent, directly or indirectly, upon the granting by China of any special concession, favor, benefit, or immunity, whether political or economic.

Although because of these disturbed conditions, China has not been able to effect as rapidly as it undoubtedly otherwise would have done, the reorganization of the judicial system, the codification of her laws, civil and criminal, has been energetically pushed forward under the able auspices of a Commission on Extraterritoriality of which the present Chairman is Mr. Chang Yao-tseng.

Various suggestions have been made by different students of the question as to the manner in which the abolition of extraterritorial rights in China may, by progressive steps, be most effectively carried out.

DISCUSSION OF EXTRATERRITORIALITY

MR. SYDNEY GREENBIE: It is because we do not fully understand the historic past with regard to China and extraterritoriality that it is difficult to understand the present situation. The remark has been that these difficulties with China arose through disorder and confusion in China. Historically speaking, I do not think that is accurate. The question of extraterritoriality arose because of confusion and disorder among the foreigners in China themselves.

In looking back into the records of the beginning of our relations with China I discovered two statements to Madison by two of our earliest consuls

in China. The American consul, Snow, wrote to Madison on September 22, 1805:

The Chinese are a nation who invariably refuse to interfere or meddle with the laws or government of any other country and leave the control of all foreigners who may be among them, or within their ports (so long as they do not break or infringe upon their laws and regulations), entirely to the direction of those who may have been empowered by their own government to watch over them, or to the commanders of ships, who are under no such restrictions, to act in the disposal of their crews as in their opinions may seem best. A consul or agent, therefore, finds it impossible to enforce his demands (upon his own recreant nationals) by any legal process or aid in China; and is too frequently obliged to submit to the painful necessity of barely receiving an evasive refusal to his request (from his own countrymen) without any means whatever in his power to exact compliance.

The issue seemed to be at this time not one with reference to Chinese laws, and their inadequacy from the foreign point of view, but entirely a matter of the relations among the foreigners themselves. With the type of sailor that came to China at that time, the difficulty arose in the matter of the consul's jurisdiction over his countrymen. He had no way of compelling the Chinese Government to handle these foreign cases. The Chinese Government said, "If he is a foreigner, we will have nothing to do with him, unless he wrongs us. If he has committed a wrong against another foreigner, we will send him back to you." So the consuls asked for jurisdiction over the foreigners themselves. It is from that point of view that it would be well if the question were discussed, as to whether it was really the inadequacy of China's laws that made it necessary for foreign powers to take hold of their affairs in China, or merely an unwillingness to become mixed up in different foreign complications.

DR. A. L. WARNSHUIS: The situation has changed very greatly since Cushing negotiated the treaty of 1844. At that time, there were four Treaty Powers; to-day there are twenty-two, of which seventeen have extraterritorial rights. And, as has been said frequently by those who are expert men in the legal profession, the privileges of extraterritorial jurisdiction carry responsibilities. It is notorious among those of us who know something of the situation in the Far East that those Powers which have extraterritorial privileges and jurisdiction have not uniformly carried the responsibilities that ought to devolve upon them. Moreover, in 1844, there were five ports in which foreigners were residing. To-day there are forty-nine, scattered widely over China. Again, at that time there were but a few hundred foreigners who had these privileges. To-day, there are many thousands.

There is this further difference, that whereas in 1844 the foreigners were traders and sailors, temporarily resident, to-day tens of thousands of foreigners are permanent residents of China, living there under extraterritorial jurisdiction. Furthermore, these aliens in China have in recent years developed factories and industrial concerns, the employers being under extraterritorial jurisdiction but with Chinese as employees, and in that way bringing this question of extraterritoriality into the industrial sphere. So it comes about that any dispute between the employer and employee may become an

international question, as has been the case in recent months when one of the Powers sent a gunboat to a port in order to bring a strike to an end.

The situation to-day is altogether different from that which could have been foreseen in 1844. It was never intended or supposed that this right of extraterritorial jurisdiction should cover the situation which exists in China at present, and therefore I believe it is fair to suggest that extraterritoriality ought to be modified, and we ought to take up the question as to what modification should be brought about.

I propose as a topic for discussion :

The United States should surrender all extraterritorial rights now enjoyed under existing treaties by its nationals in China and declare that it will not give its support to claims by its nationals of any privileges or immunities not provided for by existing treaties; and that in return for, or as correlative to, this surrender of treaty rights by the United States, the Chinese Government upon its part should declare its intention to take such steps as are compatible with its sovereignty as will provide means whereby American citizens in China will be assured that substantial degree of security with regard to their persons and property and that degree of substantive justice in the Chinese judicial tribunals which the United States itself affords to aliens residing within its own borders.

A few extracts from certain documents are illustrative and suggestive for this discussion of extraterritoriality. The first is from one of the bulletins of the World Peace Foundation. It is Volume VII, No. 10, for the year 1924, and pertains to the American treaty of Lausanne. I will read a few statements :

On September 9, 1914, the Sublime Porte formally notified all the embassies at Constantinople that it had decided to abrogate the capitulations as from October 1, 1914.

That is, the Turkish Government gave the foreign Powers three weeks' notice of the complete abolition of the capitulations.

The decision of the government was immediately protested by all the ambassadors at Constantinople—including those of Germany, Austria, and Italy, despite the alliance which Turkey had secretly concluded with Germany on August 2, 1914, and notwithstanding the commitment made by Austria and Italy in 1909 and 1912, respectively, in regard to the acceptance of the eventual abolition of the capitulations with the consent of the Powers.

The American ambassador, under instructions from the Secretary of State, made a separate protest, in which he informed the Turkish Government that the Government of the United States did not acquiesce in the attempt of the Ottoman Government to abrogate the capitulations and did not recognize that the latter Government had a right to do so or that its action, being unilateral, had any effect upon the rights and privileges enjoyed under the capitulations.

That was the situation in 1914. Let me read another extract to indicate what happened at Lausanne, and the provisions of the treaty which has been ratified and is now in force between the European Powers and Turkey; also the provisions of a similar treaty which is still pending in the United States Senate. With reference to capitulations :

The régime of the capitulations was formally abrogated and replaced by

a system "based on respect for the independence and sovereignty of States." The non-Moslem nationals of the Allies are nevertheless, for a period of seven years, to be accorded the right to apply to courts in their own countries for the adjudication of questions involving their personal status or domestic relations. The Turkish Government is, moreover, to take immediately into its service a number of European legal advisers who will participate in the work of legislative commissions, observe and report to the Minister of Justice on the functioning of the Turkish courts, and receive complaints growing out of the administration of justice, the execution of sentences, the application of the laws, or the effectuation of domiciliary visits, searches, and arrests. In case of minor offenses release on bail is always to be ordered unless it entails danger to the public safety or impedes the investigation of the cases. And all arbitral decisions in civil or commercial matters are to be executed upon being signed by the president of a court of first instance, who is not permitted to refuse his signature "unless the decision should be contrary to public order."

The second document from which I should like to quote very briefly is the treaty between China and Germany, the agreement of May 20, 1921. I quote from the English edition of *L'Europe Nouvelle* for September 5, 1925:

ARTICLE 3. The nationals of either of the two Republics residing in the territory of the other shall have authority, subject to the laws and regulations of the country, to travel, and to take up any trade or industry in any locality in which a similar right is granted to nationals of another country. They shall, as regards either their person or their possessions, be placed under the jurisdiction of local courts of justice; they shall conform with the laws of the country in which they reside. They shall pay no taxes of any kind or description in excess of those paid by the nationals of the country.

In Annexes, it is especially provided and formally declared that Germany agrees to the abrogation of consular jurisdiction in China.

From a letter by the Chinese Minister of Foreign Affairs, Doctor Yen, I read this paragraph:

Judicial Guarantee. Law suits of Germans in China shall be tried in the modern courts, according to the modern codes, with the right of appeal, and in accordance with the regular procedure. During the period of litigation, the assistance of German lawyers and interpreters who have been duly recognized by the court, is permitted.

I hope to read later from a copy of the treaty between the United States and Siam, dated December, 1920.

MR. GEORGE SCOTT: I have a copy of this treaty, which reads:

The citizens or subjects of each of the high contracting parties shall have liberty to enter, travel or reside in the territories of the other, to carry on trade, wholesale and retail, to engage in religious, educational and charitable work, to own or lease and occupy houses, manufactories, warehouses and shops, to employ agents of their choice, to lease land for residential, commercial, religious and charitable purposes and for use as cemeteries, and generally to do anything incident to or necessary for trade upon the same terms as native citizens or subjects, submitting themselves to the laws and regulations there established. . . . The citizens and subjects of both the high contracting parties shall enjoy in the territories and possessions of the high contracting parties entire liberty of conscience, and, subject to the laws, ordinances and regulations, shall enjoy the right of private or public exercise of their worship.

DR. W. W. WILLOUGHBY: In order to complete the record, I think there should be inserted in it the Annex to the Treaty between the United States and Siam, which gives the specific provisions regarding the abolition of extra-territoriality in that country. This is in a protocol concerning the jurisdiction applicable in the Kingdom of Siam to American citizens and to others entitled to the protection of the United States:

At the moment of proceeding this day to the signature of the new Treaty of Friendship, Commerce, and Navigation, between the United States and the Kingdom of Siam, the Plenipotentiaries of the two High Contracting Parties have agreed as follows:

ARTICLE I. The system of jurisdiction heretofore established in Siam for citizens of the United States and the privileges and exemptions and immunities now enjoyed by the citizens of the United States in Siam as a part of or appurtenant to said system, shall absolutely cease and determine on the date of the exchange of ratifications of the above-mentioned Treaty, and thereafter all citizens of the United States and persons, corporations, companies, and associations entitled to its protection in Siam shall be subject to the jurisdiction of the Siamese Courts.

ARTICLE II. Until the promulgation and putting into force of all the Siamese Codes, namely, the Penal Code, the Civil and Commercial Codes, the Codes of Procedure, and the Law of Organization of Courts, and for a period of five years thereafter, but no longer, the United States, through its diplomatic and consular officials in Siam, whenever in its discretion it deems it proper to do so in the interest of justice, by means of a written requisition addressed to the judge or judges of the court in which such case is pending, may evoke any case pending in any Siamese Court, except the Supreme Court, or Dika Court, in which an American citizen, or a person, corporation, company, or association entitled to the protection of the United States, is defended or accused.

Such case shall then be transferred to said diplomatic or consular official for adjudication and the jurisdiction of the Siamese Court over such case shall thereupon cease. Any case so evoked shall be disposed of by said diplomatic or consular official in accordance with the laws of the United States properly applicable, except that as to all matters coming within the scope of codes, or laws of the Kingdom of Siam, regularly promulgated and in force, the texts of which have been communicated to the American Legation in Bangkok, the rights and liabilities of the parties shall be determined by Siamese law.

For the purpose of trying such cases and of executing any judgments which may be rendered therein, the jurisdiction of the American Diplomatic and Consular officials in Siam is continued.

Should the United States perceive, within a reasonable time after the promulgation of said Codes, any objections to said Codes, namely, the Penal Code, the Civil and Commercial Codes, the Codes of Procedure and the Law for Organization of Courts, the Siamese Government will endeavor to meet such objections.

These are the important provisions. There are some further provisions with regard to appeal that possibly it is not necessary to read.

It seems to me that we should meet China on an absolute basis of equality. I have certainly got the impression that there is a complex back in the mind of some that China is not to be treated that way, as though in some way China was different from other nations, that she is under an obligation to develop herself so as to provide a market for the goods of this and of

other countries; that she is under an obligation to establish a stable government.

Although the civilization of China is different from that of the Western nations it is probably as high as that of the Western world. Certainly it is true that so far as my reading goes and so far as my intercourse with other persons has extended, those persons who know the most about the civilization of China are the most impressed with its merits.

I have among my notes a couple of statements, and they could be multiplied, which deserve to be read. J. O. P. Bland, who has spent a large part of his active life in China and has made a close study of her people, says:

As for me, returning to the East from lands wherein all our triumphs of mechanical ingenuity have been turned to purposes of manslaughter, I find myself more than ever compelled to accept and respect the Oriental conception of life—that attitude, founded on the wisdom of the ancients, which has given to their form of civilization stability and harmony such as our modern world has never known. . . . I believe that the social institutions which have grown out of the Chinese philosophy are nearer to the truth and therefore morally superior to our own; and believing this, I ask myself upon what grounds and to what purpose do we persist in endeavoring to impose upon them, not only our mechanical inventions but our political panaceas and our conflicting creeds?

Sir Charles Eliot, than whom there is no greater authority, says:

Let me confess that I cannot have the confidence in the superiority of the Europeans and their ways which is prevalent in the West.

I have other quotations from Lowes Dickinson and Earl Cromer—and, well, I don't know just how much Bertrand Russell will appeal to you with regard to Western civilization not being as high as some of us maintain, but I will read what he says:

If intercourse between Western nations and China is to be fruitful, we must cease to regard ourselves as missionaries of a superior civilization.

I have taken the trouble to quote only one or two things to reinforce this point of view. If we can start with the idea that in China there is a civilization which is equal if not superior to our own—if we get that into our minds, we can more easily meet China on a basis of equality and respect.

I am going to make one more quotation, from one who was certainly a great friend of the Chinese—Sir Robert Hart. In his book, "These From the Land of Sinim," written many years ago, there is the following paragraph, and here we come directly to the question of extraterritoriality:

What is wanted is a settlement or understanding all will accept and abide by, and not one they will everlastingly be kicking against and endeavoring to upset. To secure such a settlement only one change is necessary, but that is a complete change—a radical change—a change of principle. The principle which underlies every treaty and runs through every treaty stipulation, and which unhappily is at the bottom of all the mischief, is what is justly considered the most important, the most valuable, and, from the foreign standpoint, the most essential point in treaties with China, and that is the principle of extraterritoriality—could we but give up this, relations would at once right themselves, rancour disappear, and friendliness rule instead. Trade

would be freely permitted everywhere, and the investment of capital and development of internal resources meet with no unnecessary obstacle.

Some years ago in a book I published, I ventured to express an opinion with regard to extraterritoriality and the possibility of its abrogation. I must now say that my views have progressed very considerably beyond those that I stated in that book. I there made the suggestion that there might be established what may truly be termed Mixed Courts, that is, courts in which there should be foreigners sitting as judges alongside Chinese judges, and that these foreigners might be suggested or nominated to the Chinese Government by the foreign Powers.

Doctor Schurman, former Minister to China, approved that proposition except he thought that China should be free and untrammelled in the selection of these foreign judges. But in the face of the situation that we now have in China, I think we would be wise to go even beyond that. Dr. Schurman wanted to go further than that and provide that the Chinese laws should be applied in the courts in which foreigners were accused or defended.

There have been a great variety of propositions made as to the progressive steps by which extraterritoriality might be gradually abandoned. There have been other suggestions—whether China should agree to provide modern courts in the more important ports of China, even though she was not yet prepared to provide fully equipped and trained judges throughout the whole realm of China.

There also has been the question of evocation which is represented in this treaty between Siam and the United States according to which cases are tried in the Siamese courts or the local courts and then if there is any question as to the justice which has been provided or about to be provided, the cases may, by a written evocation on the part of the American Government, be removed from those courts to an American court.

There has also been the suggestion that the lower Chinese courts should have complete jurisdiction over all cases, but that there should be an appeal to a superior court, and that upon that superior court there should be a certain amount of foreign representation.

These are details and possibilities which, it seems to me, this meeting is hardly competent to consider, and which will probably be taken up when the matter is dealt with in Peking, or in some other conference which has power to consider the matter.

The point that I have wanted to make and which I repeat is that these are conditions which I have no doubt the Chinese would be willing to meet, but which they should themselves establish.

PROFESSOR CHARLES HODGES: In the discussion of extraterritoriality we have the most illuminating of sidelights on the problem of coming to grips with the Chinese question. China is asking for things which she could not take advantage of at the critical moment, for had she been in the position to stand up under investigation when occasion arose for this, the delay would not have come about. The Chinese Government was not able to move at the opportune moment. I am not arguing against Chinese rights. We must

appreciate, however, the psychology of trying to deal with the Chinese Government, (not that of dealing with the Chinese people). This involves the rather pathetic attitude of the Chinese Government in not being able to assist in arriving at the solution of the question on which it ought to be in a position to take a firm hold. That is likely to be the basic difficulty regarding any support the United States in the future may give to China. Frankly, you can't tell whether the Chinese Government is going to walk out on you or not.

The basic problem that we must face here is this: How far can we rely upon the Chinese Government to stand with us and back of us if we are going to fight for China?

I have been interested rather closely in carrying on what is called "Chinese propaganda" in this country. But this is a frank gathering of friends, and we might just as well bring up the psychology of the people as officially represented by their Government.

The difficulty is that we have nothing in China which can stand up under the pressure of the modern international relations that have encircled China. Consequently, we come back from the external politics of China—as we come back in considering the business relations in China—to the same crucial point. What can be done without a government which is functioning nationally in China? How can a government be made to function in China? If that problem is not faced, then you want to be prepared to bring out your alliances, along with your armaments and all the rest of the paraphernalia of world politics. In other words, if you are going to help the Chinese, they must have some opportunity to help themselves.

MR. NORMAN M. THOMAS: Professor Hodges has spoken of the danger that any Chinese Government might walk out on the United States or on all the Powers if there were an attempt made to settle the question of extraterritoriality. To what extent is it possible that the Powers themselves help to create the kind of Chinese Government that may walk out on you?

I have sometimes found in American affairs that many of those who publicly deplore corruption are secretly not ill-pleased to have the favor of the Governments which are so corrupt and inefficient that these cannot be trusted to do what governments should do. Is it not possible that subconsciously some of the Powers at certain times are very glad to be able to say that the Chinese Government is one which is likely to walk out on them? And is it not possible that certain Powers at certain times stimulate that sort of government by argument and by persuasion of tangible sorts both in the line of inducement and in that of threat? Is it not possible that sometimes it is desirable to have a government not too efficient in dealing with opium and with investments and concession matters? Does not that lead to a little inquiry to support this charge of the incapacity of the Chinese Government?

Here in the United States I have heard over and over how dangerous is the influence of Russia in China. May I enquire why, if it is safe for Russian Communists to make a magnificent gesture and to carry it out, gaining enormous influence thereby, it is not equally safe for Christian missionaries to make a similar renunciation, and why it may not be almost equally safe

for merchants coming from the West to Asia to do so? Is Communism a better recommendation than Christianity?

The third question I want to ask is whether the Conference at any time will be in position to go into a matter which it seems to me is fundamental. There are two points of view of the relations between the strong white Powers, better organized economically, and the weak nations. One is that there is a kind of right, pragmatic or divine, by which the stronger nations should have access to what they need in the line of trade concessions and raw materials, and the only problem is how you can secure that access as gently as possible. That is to say, that we have the right, of course, to go to China to do the Chinese good. (You can put the emphasis on that sentence as you please.) The question is how can you arrange it so the thing will be as nicely and as gently done as possible?

The other point of view is that relations between nations and people in the long run will be happier if instead of talking so much about rights there were such relationship and fellowship between the nations that in time the questions of security would settle themselves. You might not get so far so fast, but in the end you might have less trouble. In this I am not afraid to confess a certain *a priori* bias. The time has definitely come where the peace and prosperity of the world is seriously endangered by the imperialistic notion, even when it is nicely disguised as benevolent. The imperialist notion is that certain nations and races have a right to go where they please and to do what they please and to force their law and culture where they please. I do not believe such a right exists. I believe if merchants, bankers and missionaries would go out, gain the different points of view of other peoples and trust good will, they would secure what they now seek without endangering the relations between nations and peoples so much and so driving us toward war.

DR. GEORGE W. HINMAN: Back of extraterritoriality, the lack of tariff autonomy, and the unequal treaties, is the great question of racial discrimination which explains all this unfair treatment of China. The pressure of demand for proper racial treatment is back of all this unrest. The demand is bound to secure its results, either as it did in Turkey and in Japan, by an abrogation of the unequal treaties and by the doing away with unfair discrimination through a positive assertion, supported by force, of the right of the country to proper respect in the group of nations, or else through friendly concessions from the nations of the West.

We might as well face the question whether we are showing toward the Chinese a fair racial attitude. We ought to be specific. We ought to be concrete. But we ought to recognize the reasons for the particular instances which are the occasion for the present unrest.

I have had particular occasion to think of this because I have been in contact with a great group in this country against whom there is, and has been for many years, a very strong racial discrimination, and yet a group that have had a very large share in the development of the present situation in China, the Chinese in America; not that educated and cultured group of 1,500 Chinese students, but the large group of Chinese merchants and laborers,

nothing less perhaps than at the time to meet with at the present time who have enjoyed the share of war for the good development of modern China. All that time that they have been suffering under economic and social retrogression in this country, they have been contributing to the nation in other large material support and a good many of the economic and political ideas which have made the new China. These Chinese in America recognize that best of all the government of China by which nations at a fundamental stage of development.

Mr. J. H. Swanton. We must not be misled by the idea that our view of the present leadership of the Chinese is at the head of the nation is equal to our understanding. However fine and good the collection of China has been for under present conditions and under those existing when the nation was new, including the administration of justice, as testimony of the nation can never really justify the work and achievement the work which they have done. That is so.

It is true that conditions have changed materially, and it is true that our understanding should be wider but to say that fundamental problems should be abolished immediately because they suggest the social efficiency of the Chinese, seems to me contrary to some the point and an intention of some of Americans that ought to be kept in mind. What we need to ask of us the practical facts. How far justice, the language needed in China, how under the present governmental and administrative conditions of China? I say that we shall try not to increase the number of social issues into that question. Having raised some points in China, I want to say that I feel that the feeling among the people with whom I have lived is that it is not a question of now, but one of practical life. It is not that we happen to have done upon the people with whom we lived. We are and expect them to help. But we want China to advance more and more rapidly than conditions which we in America have been used to for the administration of justice.

Mr. Richard C. Patterson, Jr. He said I want to know how an American corporation having rights under international as regards a free company, under the laws mainly from China. Americans were not getting their proper representation in the trade, and I was not sure if I could not protect against certain threats and organize a company with the Chinese as our partners.

I told America with a strong idea that this company should be organized under the Chinese laws. However, I began to investigate. I went to the American Consul Mr. Cramer, mentioned numerous local managers, Chinese industrial workers and many others. Cramer seemed an American company, and was now the president of a large lumber company, told me that I would be a trustee of American because if this new company were organized under Chinese laws. However, the Consul told me of the British-American Tobacco Company in London, 1921, and he said, "If British-American Tobacco were to have eighteen years and start over again, we would most certainly organize a partnership with the Chinese and with Chinese help." He further stated, "By so doing, you will accomplish more in the years than you could

accomplish in any other way in ten years." So after three months of thorough investigation we did this very thing, by going to Peking and petitioning for a rescript which was properly issued in due time by the Ministry of Agriculture and Commerce.

I have been asked if we did not have political influence to keep from paying a large amount of "squeeze" for our rescript. Not at all. The only two men of importance on our board of fifteen, a majority of whom were Chinese, were two Chinese who are as fine Christians as you will ever meet in this country or in any other country, and far be it from them to go to Peking with political influence to obtain this charter. The organization of this company gave no trouble whatsoever, and the existence of extraterritoriality was of no assistance. This is example No. 1.

Example No. 2 is of a little company organized under the laws of Delaware three years ago. Due to bad management on the part of Americans, the company has not made substantial progress. But, as of last April, we placed it under entire Chinese management, since which time business has picked up and we now look for a profitable future. A Chinese by the name of Luther Jee, a Harvard graduate, forty-two years of age, is our Number One man.

I don't think for a minute, as far as these two companies are concerned, that retention of extraterritoriality would be of service; in fact, it might be detrimental. I am not speaking of other American companies, about which I have little knowledge. It is their own business under which laws they organize, and not mine.

Generally speaking, I believe in Chinese management throughout, and consider it indispensable. Make the Chinese jointly responsible, but of course keep control if American money is over fifty per cent, and this can be done with both Chinese management and Chinese laws.

I am a great believer in working right with the Chinese, something which unfortunately most American concerns in the Far East fail to understand. These concerns send over mediocre managers, men with small salaries of \$3,000, \$4,000 or \$5,000 a year, and place them in full charge of their industries. For this reason and others, nearly seventy-five per cent of Americans return home before their time is really up. Shanghai, of course, is a rendezvous for everything that is easy going, and many of these men return because they lack strength of character to fight the temptation to follow the lines of least resistance.

In the future, if American concerns will send to the Far East only high-class efficient managers—don't try to sit in New York in a swivel chair and dictate what managers in China shall do—it will work to better advantage. However, if you insist upon American management, select able men of character and ability and send them to Shanghai with full authority to act.

MR. JAMES A. THOMAS: I should like to read an extract from a letter which I wrote a Chinese friend of mine under date of September 16, giving him my views on extraterritoriality:

There is a lot being said with regard to this subject, and in the analysis we must take into consideration the conditions which have obtained in China

since the Chinese-Japanese war which was fought in 1894; then the Boxer trouble in 1900; the Russo-Japanese war in 1904-05; and the Revolution in China in 1911. When the revolution took place in 1911, there was a division of authority between the Government of the Republic of China and the former monarchy; and during the interval the administration of the Mixed Court in Shanghai—as I see it—got out of hand, so to speak, which has caused a lot of trouble.

My belief is that if the Mixed Court had been conducted in strict accordance with the treaties which constituted the court, there would have been less friction. So far as I am personally concerned, I think—and have thought so for more than ten years—that extraterritoriality in China should be abolished as soon as possible; that is to say—as soon as China gets her laws codified and constitutes the necessary courts. My understanding is that the laws of China are now ninety-five per cent complete; so it only remains to get the necessary judges, to set up the courts, and to conduct these with sufficient dignity to command the respect of the Chinese people and of the foreigners.

You have a number of very able lawyers in China who understand fully what is necessary with regard to laws and courts, and it seems to me that the most practical way would be for these lawyers, under the direction of the Chinese Government, to work out a plan for conducting the courts and applying the laws in accordance with Chinese law. My belief is that if you could get your Chinese lawyers to work out this plan, every one would agree that extraterritoriality could be abolished in a very short space of time. There is, of course, one other thing that would have to be taken into consideration, namely: the municipal debts, and this is only a detail.

The Washington Conference set up the Nine-Power Treaties to deal with the customs tariff and with extraterritoriality, and these treaties should be adhered to by all parties concerned.

In so far as tariff autonomy is concerned, the Chinese delegates to the Washington Conference reserved the right to discuss this subject at any appropriate time, and these same remarks will apply to the abolition of extraterritoriality.

Extraterritoriality in China from the beginning was more or less an expedient. At the time the treaties constituting extraterritoriality in China were entered into, the Chinese Government was quite content to let the foreigners look after their own people through their own courts.

I have heard it said here, in discussing the question of the dislocation of trade in China, that it was costing the British Government or the British people in Hong Kong, \$1,500,000 a day; and that British trade in China had fallen off eighty per cent. What in the world would I ever want with a Mixed Court, administering extraterritorial laws in China, which was costing me that much money? I wouldn't bother about it at all.

So I think this is going to be the idea of the British, because I understand that they have already said through the British Chamber of Commerce and through the British China Society in Shanghai, "Come on, here is the Mixed Court, you can have it back."

During my thirty years residence in China, when the question of extraterritorial courts came up, my answer was: That the treaties provided for extraterritoriality in China, consequently I was quite content, but I did not want to bother with it because if at any time anything happened in the

Mixed Court which was not satisfactory to the Chinese, I would be to blame for it. This is the way I feel about it now, and I so wrote my friend.

MR. WILLIS J. ABBOT: It would be interesting if some representative of China would tell us whether the feeling of the Chinese Government at the time of the Washington Conference that the moment was not right for the discussion of the abandonment of extraterritoriality still exists in China.

DR. P. W. KUO: At the Washington Conference the Chinese delegation made a very strong plea for the removal of extraterritoriality. But when the Powers represented at that Conference contended for an investigation before taking any definite steps, the Chinese delegates felt that was a very reasonable thing for the Powers to ask. Feeling that the Chinese laws and their administration have made such rapid progress within the last decade, they did not hesitate to accept such a proposal. Consequently this decision was made. It was decided also at the Conference that the Commission should be created within three months after the closing of the Washington Conference, a point which was insisted upon by the Chinese delegates also for fear that the matter might be delayed. But a few months later, or soon after the Conference, the Chinese Government, after considering the work that was involved, felt that it would take considerable time for those in charge of the Chinese laws and of the administration of judicial processes in China, to get the necessary material ready for the Commission. It was felt that in order to give a clear presentation of the facts concerning the laws and judicial procedure in China, they must have all the material collected and organized, and then translated into English, French, and perhaps German—into at least two of these languages. They considered that it would take at least one year to do this work. Otherwise the Commission would be appointed, the members would come to China, and would ask for material which was not ready and they would waste much time in waiting for the material.

Therefore, in order to save the time of the Commission, the Chinese Government suggested that the appointment of such a Commission be deferred for one year. Since then, however, the Chinese Government has more than once urged the Powers concerned to create such a commission. But owing to the fact that France made the settlement of the gold franc case a condition, they did not ratify the treaties. This question has been deferred until now.

I wish to say, on behalf of the Chinese people, that the present agitation in China does not mean at all that we want the foreigners to get out of China. In fact, the contrary is the case. By the removal of extraterritoriality the foreigners will be entitled to live and trade and carry on whatever business they have, not only in the treaty ports, but in all other parts of China. The Chinese Government is prepared to take upon itself the responsibility that is involved when extraterritoriality is removed, and has been seriously considering how this is to be done.

The Chinese Government is seriously considering the establishing in some of the important consular jurisdictions of special tribunals in which foreign jurists will be employed, either as regular judges or as advisors or assessors of those special tribunals, to deal with cases in which foreigners are involved.

Now, of what nationality should these jurists be? It was thought that possibly the more economical and more impartial way would be to secure judges from those countries that are more or less neutral; from smaller countries like Switzerland or Holland; from some of those countries whose state of law and administration of law are up to a very high standard and yet have very small interests in China.

Who is going to pass upon the qualifications? What assurance have we that the Chinese Government would secure jurists who would have the confidence of the nations of the world? The suggestion has been made that the judges at the World Court should be asked either to recommend or possibly to pass upon the qualifications of those men.

But the question has been raised as to whether it might be better, instead of having special tribunals or courts, to have these experts or foreign jurists employed in some of the regular modern courts of China. But the argument in favor of having special tribunals is that it is less expensive, because if you want to have these special foreign jurists in the regular Chinese courts, you may have to have a larger number, whereas if you have special tribunals a few of them would suffice.

Moreover, after a period of time, when the equity of Chinese laws and the administration of justice have gained the confidence of the world, these special tribunals could be abolished. It is believed that some such arrangement will be made.

Without being immodest, I think we can admit in a way that the Chinese are a somewhat reasonable people. We do not propose to throw overboard the whole system overnight without seriously considering the implications and complications and the responsibilities that are involved. Those of our people who are in charge of the matter are men who have made a special study of the subject; they are experts and have had much experience. Surely they are not going to make themselves a laughing stock before the world. They are going to have something ready which will meet the situation either along the line just suggested or similar to that which has been arranged between the Powers with Siam and with Turkey.

The fact has been mentioned that the Chinese are quite sensitive. I am afraid we are, and sensitiveness, you know, over these ideals, over these moral issues, I think is a good thing. We do want to see that our sovereignty is not impaired, that our independence is fully assured to us, and that we are placed on a basis of equality with other nations.

Many of you know that we Chinese, in common with some other races, think that we are a great people. This story happened some forty or fifty years ago. A man who happened to bear my name was sent over to England as China's representative to the Court of St. James's. This man, after having stayed in England for some time, wrote a diary which he proposed to publish in China upon his return, and in this diary he tried to show certain things. You know, in those days, the Chinese thought they were the only civilized people in the world, and that all others were barbarians. In this statement, he said, "I have found, to my surprise, that the people with whom

I have been dealing, barbarians as they are, nevertheless also have a civilization which is about 2,000 years old, not as ancient as ours, and yet it has very good elements which are worthy of our consideration." He said that because of that fact he felt it was his duty to publish that diary for the information of his fellow-countrymen. Can you believe that this diary caused great consternation? It aroused the anger and indignation of the people of China, the scholars and the statesmen of those days. They said, "What! the barbarians have a civilization which is worthy of our study and emulation! Surely not! This man is insulting us." And they made things so hot for him that he was dismissed from service and his diary prohibited from publication. That is a true story.

But since then our people have become wiser. They have learned that there are other civilizations in the world, and that there are people in the world whose civilization may be in some respects better than ours and in other respects not so good. They know that there are elements in other civilizations which are really worthy of consideration. I have found that there are people in other countries even to-day who need to learn that lesson.

In looking through the daily press during the last few months, where have the more serious disturbances occurred? They have occurred not in the interior, but in Shanghai, in Kiukiang, in Hankow—in foreign settlements, with their foreign police and foreign gunboats protecting them.

During the last few years, my time has been spent partly in a treaty port and partly in an interior city—in Shanghai and in Nanking. Without throwing any reflection upon the efficiency of the Shanghai Municipal Council, (I think the Shanghai Municipal Council has done a very good piece of work there in many respects, as in providing good roads, good light, and so on), from the point of view of law and order, Nanking is far ahead of Shanghai. I have no hesitancy in saying that, and I think my friends from Nanking will bear out my statement.

When I am in Nanking, I read the Nanking paper and very seldom is my attention called to any theft or robbery or murder. The chief of police does not have very much work to do because these occurrences are very, very rare! In Shanghai, the papers frequently give accounts of theft, murder, robberies, the smuggling of opium, and the smuggling of arms.

BISHOP D. T. HUNTINGTON: One point with regard to extraterritoriality pertains to the Chinese judiciary. The trouble from which China is suffering is too much politics. But from my experience in Anking, I think certainly that the judiciary is part of the Chinese governmental system which is least affected by politics.

We have had in the last eight years in Anking two judges of the Province of Anking. In that space of time we have had, I think, six, perhaps seven governors. When a governor and every other high official was removed, the judges stayed on and administered the courts, and, I think, with impartiality and justice.

DR. PAUL MONROE: May I call attention to the manner in which the extraterritorial provisions have been read into all of these treaties. The right

was secured first by one nation, read into the treaty, then all of the rest followed on the basis of the most favored nation principle. The way to get rid of the extraterritorial provision in the treaties is just the way it was introduced. Let one nation lead off; let the United States take the position that these privileges should be abrogated, and then all of the rest of the nations will have to follow, simply because it will put America in the position of the favored nation, and then logically and also diplomatically, we shall see the natural results follow. I am in favor of this Conference taking the position of recommending that the American Government take the lead if it cannot get concerted action in abrogating this provision from its treaties with China.

DR. DENYS P. MYERS: It will be well for us to pay particular attention to the Washington treaties. It is doubtless true that the decisions there reached do not now entirely meet the wishes of the Chinese people; nevertheless, those treaties have just come into force. I have received copies as officially promulgated. They were ratified, of course, in August, but have been promulgated only this week. Coupled with the treaties are half a dozen resolutions of the Washington Conference. These resolutions were in effect from the time of their signing, but their actual effectiveness has been postponed to coincide with the entrance of the treaties into force.

We are discussing the relations of the various States to China. In these treaties and resolutions is the evidence of what these relations now are, or at least what they are purported to be. There are frequent references to things in the past; for instance, the tariff, and the reasons why the tariff has been a matter of treaty arrangement rather than of internal legislation. The United States, just after the Washington Conference, revised its tariff treaty with China, and that treaty is now in force. That treaty will doubtless be a precedent for the coming Tariff Conference.

Relative to extraterritoriality, on which there is a resolution, a great deal has been done looking toward laying the ground for the realization of some reform. The main treaty contains various statements, various engagements of considerable importance, and I would like to say that, so far as I am concerned, one of the most important of those engagements is one which I think is usually lost to sight. The treaty provides that each State having treaty relations with China shall submit to the Washington Government a list of its commitments to China and relating to China.

There, for the first time—and it seems to me this is fundamental—we are to have, officially made by the States concerned, a statement of the documents upon which they rely in their relations with China.

The Blue Book of the British Government, in which are listed the commitments on which that Government relies, has just been published. Some months ago the Department of State issued, in accordance with the terms of that treaty, its list of commitments. One would suppose that the British would confine themselves to certain well-known treaties. Instead, this list, which was compiled in October, 1924, included sundry engagements, as well as exchanges of notes, these last perhaps of doubtful validity as a technical treaty matter, but there they are, nevertheless.

Thus the Governments are building up official statements of what their relations are, and it seems to me that the action under the two treaties which have just come into force should be emphasized in detail in connection with this Conference.

NON-POLITICAL FACTORS UNDERLYING THE CHINESE PROBLEM¹

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Behind the conflict of international political interests in China lie the economic factors that make the approach to the Chinese problem so complicated. Some appreciation of the vastness of China in territorial, human, and economic terms is essential to any understanding of the immense difficulties confronting one quarter of the human race in its efforts to achieve a stable place in international society.

CHINA'S PHYSICAL LAY-OUT

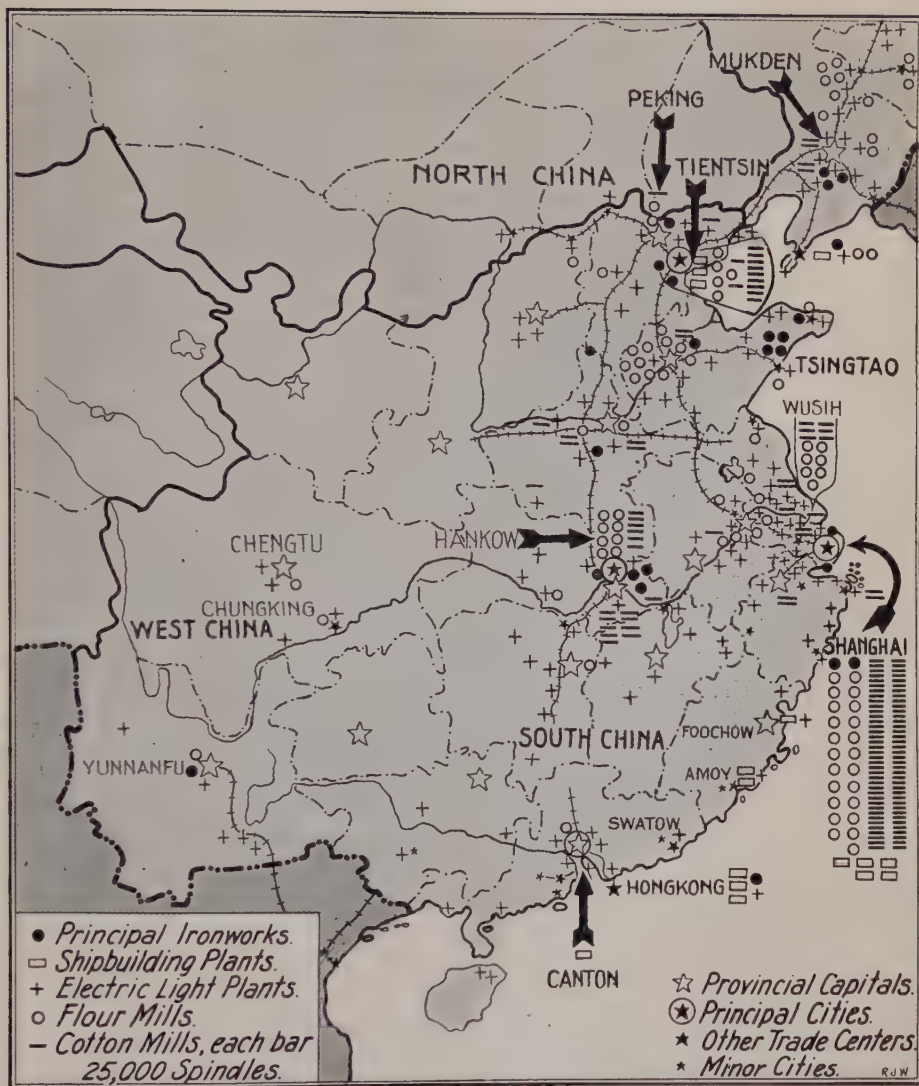
The physical lay-out reveals an empire, in the throes of transition to a republic, estimated to cover some 4,278,352 square miles. Something more than one half of this territory lies to the north and westward, piling back into Central Asia, for practical purposes outside of immediate calculations although possessed of vast potentialities, including 1,367,953 square miles in Mongolia, 550,579 square miles in Chinese Turkestan (Sinkiang), and 463,320 square miles in Tibet. Excepting the three eastern provinces of Manchuria, the average area of the eighteen provinces of China proper is 85,000 square miles as compared with an average of 63,000 square miles for the forty-eight States of the United States, although the range in size is less pronounced in China than such extremes as Texas and Rhode Island.

The Chinese future now concerning the world's finance and business is in the intensive organization of the 1,896,500 square miles comprised in the twenty-one provinces of China proper, stretching as a triangular shaped area from Siberia to the tropics, the apex running back into the hinterland of Central Asia and surrounded by the Chinese dependencies just enumerated. Added force is given this viewpoint when it is remembered that two thirds of the population is to be found in the one third of the area most accessible to foreign business enterprise.

The population of China is most intensively packed along the east coast and rivers; the interior shades off decidedly. The people are thus unevenly distributed, population becoming sparser to the west with the exception of Szechwan on the Upper Yangtze, which in area and inhabitants approximates the pre-war extent of Germany. The population per square mile ranges from 550 to 600 and 875 in provinces such as Shantung, Chekiang, and Kiangsu, to more western provinces such as Shensi with 125, and Hunan with 341.

An average of 182 people to the square mile, with extremes ranging from

¹ One of the "Preliminary Papers" of the Conference on American Relations with China.



(c) Charles Hodgkiss
 MAP ILLUSTRATING THE INDUSTRIAL PENETRATION OF CHINA

37 to almost 900, indicates that however antiquated Chinese life-sustaining machinery may be from Western standards, it nevertheless manages to sustain a heavy overload. A survey of one of the most congested parts of China, Shantung, reveals the not unique situation that: "One square mile of soil is supporting 3,072 persons, 256 cows, 256 donkeys, and 512 pigs." The need for reorganization of this medieval economy on the one hand and the vast reservoir of human energy available, on the other, is an outstanding point.

CHINA'S BALANCE SHEET

From a business standpoint, not only is China backward because of a lack of the material equipment which to-day spells power; she is a federation, as it were, of more or less self-sufficient regions living unto themselves. Present-day China is a disarticulated economic structure. Her 400,000,000 people are living under a virtually intact medieval economy wholly inadequate to meet the needs of the time. They suffer more from under-utilization of China's vast productive potentialities, caused by an ineffective business organization, than from the political maladministration characteristic of the post-Manchu governance since 1911.

There is a striking disparity between China's productive capacity and her consumptive possibilities. It is not a question of purchase power in particular instances, nor is it—if we accept the prevailing low standards of living in such undeveloped countries—an especially bad adjustment between the social income and needs. The difficulty lies in the fact that China's economy has not advanced sufficiently to make possible the mobilization of production on national lines. Her economic structure is overwhelmingly local in its primary functioning; foodstuffs shipped from our Pacific Coast could reach North China famine areas a short time ago more effectively than a surplus going to waste in China's own West. Viewed in business terms, China's twenty-one provinces, disregarding the primitive modes of life prevailing in the dependencies, are divided into a series of more or less self-contained units carrying on the life-sustaining processes with the maximum of freedom.

It is quite true that where natural arteries of communication have existed, such as the Yangtze River bisecting China on east and west lines, or in the case of the coast provinces, the economic perspective is consequently broadened perceptibly. It has also been an obvious effect of the development of artificial means, from the Grand Canal to the present railways. The most cursory survey of China, however, shows that this is rather superficial than otherwise. This lack of "space and time binding equipment" characteristic of the Western machine economy is fundamental to China's subsistence difficulties; it renders the integration of her economic life difficult; it constricts the flow of business on a nation-wide basis; it retards the systematic large-scale development essential to the country's future; and it lies at the bottom of the present internal troubles and political instability.

Superficial changes have been made on the surface of Chinese life. But the following table shows the great disparity between what a modern economy

with similar vast potentialities can deliver as compared to the economic order in transition to-day in China.¹

	China	Aus- tralia	Canada	United States
Imports, per capita.....	\$1.85	\$108.06	\$88.71	\$28.06
Exports, per capita.....	1.24	79.81	103.13	33.94
Revenue, per capita.....	1.99 ²	36.60	30.18	42.92
Expenditure, per capita.....	1.99	102.14	56.17	141.89
Debt, per capita.....	3.28	317.87	159.10	237.07
Interest, per capita.....	0.66	13.96	6.97	9.72
	(miles)	(miles)	(miles)	(miles)
Railroads (per 10,000 inhabitants).....	0.2	46.5	44.4	23.7
	(miles)	(miles)	(miles)	(miles)
Railroads (per 1,000 square miles).....	1.6	8.8	10.7	72.4
Post Offices (per 10,000 inhabitants).....	0.8	14.9	13.7	4.7

CHINA'S NATIONAL WEALTH

Yet, as a matter of fact, on the basis of pre-war estimates, China ranked fifth among the nations of the world from the standpoint of the total amount of ascertained national wealth. It is probably true that the Japanese have made a more systematic and minute survey of China's possibilities than any other nation. We herewith present the estimates of the present Japanese Premier, Baron Takahashi. This distinguished Japanese financial expert and economist conservatively estimated the wealth of nations for the period immediately preceding the Great War as follows:

United States.....	\$107,570,709,120.00
England.....	67,054,821,528.00
Germany.....	62,316,226,032.00
France.....	53,010,849,024.00
China.....	52,851,885,410.58
Russia.....	49,721,300,562.00
Italy.....	19,505,664,000.00
Japan.....	12,519,914,008.85

These very conservative figures—for pre-war estimates are taken, the Great War of course inflating the "book value" of the wealth of the great Powers—are especially reserved regarding China's national wealth because this Japanese analysis is concerned only with the eighteen provinces of China; Manchuria, Mongolia, Chinese Turkestan, and Tibet are excluded, although China has vast potentialities tied up in these four territories under her sovereignty. The national wealth of the eighteen provinces of China proper, therefore, stands at:

1. Land.....	\$43,344,441,562.50 ³
2. Houses, godowns, and other buildings.....	2,766,611,112.00
3. Furniture and art goods.....	863,854,106.40
4. Cattle and other animals.....	827,219,905.70
5. Minerals.....	249,631,404.24
6. Marine products.....	124,815,702.12
7. Salt.....	709,077,235.26
8. Electric, gas and waterworks, and horse car lines.....	3,212,100.00
9. Ships and vehicles.....	45,806,787.00
10. Gold and silver.....	731,051,550.00

¹ Based upon "The Statistical Abstract of the United States." All figures other than those dealing with public finance in Year Book for 1922.

² Approximate figures for 1919. These and all figures of value in this table on a gold-dollar basis.

³ All figures have been reduced from Japanese *yen* to American gold dollars to facilitate comparison.

11. Commercial companies and banks.....	\$35,781,300.00
12. Merchandise.....	2,103,664,408.06
13. Railways, telegraphs, and telephones.....	44,795,100.00
14. Libraries.....	5,645,128.00
15. Rivers and harbors.....	996,278,008.50
Total.....	\$52,851,885,409.78

In other words, China, individually poor, is collectively wealthy even under her present backward economic conditions. It is estimated that there is one billion dollars silver in hoarded wealth which has been only partially tapped by the sudden development of China's post-war native business. The economic problem is mainly one of mobilizing the real wealth of China—the tangible security back of gross liabilities, which must be met.

CHARACTER OF CHINA'S PRODUCTS

An analysis of the economic life of the twenty-one provinces shows that fifteen principally produce agricultural or similar products. Of these fifteen provinces all but four are producers of things which require more or less manufacturing, from the crude refining of wood oil or varnish to the complicated processes in the preparation of silk. Even to-day eight of the twenty-one provinces are producing minerals—coal, iron, antimony, salt, lead, zinc, tin, etc. The expansion of communications has tended to end the domination of the local market; more and more each part of China's economy is producing for outside or foreign markets.

Nothing better expresses the challenge of China to business statesmanship than the fact that this country with vast resources of mineral wealth, even taking the most conservative of estimates, is producing less than one per cent of the world's mineral wealth. According to the latest figures available, while nineteen of the thirty-two minerals figuring in world production are to be found in China, only two amount to more than ten per cent of the total, only two others to more than five per cent and the bulk around one per cent. In the metallic production, estimated at 1,500 million dollars silver for the world, China produced but 140 millions—the world averaged \$27 per square mile and China \$3.5. Two instances will serve to emphasize the disparity between China's possibilities and the actual situation—a situation which can be capitalized along the lines of this analysis to the fullest. China consumes about 20 million tons of coal per annum; possesses vast resources amounting to 45,000 million tons according to conservative figures; and mines herself only somewhat more than three quarters of her requirements; and to-day thirty-nine per cent of the coal is still being produced by small mines by native methods. Taking the other basic material of modern life, iron, we find that China possesses probably the best ores on the Pacific, with resources amounting to about one fourth of those of the United States with its world leadership; China has an iron consumption per head of 8/10,000 of a ton per year while the United States uses 25/100 of a ton.

The modernization of China must be paid in trade. As yet, the man with the hoe is chiefly responsible for Chinese exports; products such as coarse

cotton manufactures, however, are now appearing in other Oriental markets as exports marking the industrialization of what was yesterday the unchanging "Middle Kingdom."

One hundred years ago Chinese commercial relations centered solely about Canton, the traffic resting on tea and silk exports westward while opium, cottons, woolens, and some metals were being imported into this part of the Orient.

The diversification of Chinese exports dates from the close of the nineteenth century—while in 1879 tea accounted for forty-six per cent and silk for thirty-nine per cent of the outgoing trade, by the 1900's the tea traffic had declined to sixteen per cent and silks stood at forty-one per cent; the difference of oil-seeds and oil-cake at six per cent, together with three per cent of cereals and four per cent hides, marked the change. At the present time, oil-seeds, vegetable oils and related products lead the trade, amounting to twenty-five per cent of all exports; silks have dropped to approximately eighteen per cent; tea under three per cent; and other exports ranging from three per cent to one per cent, including coal, hides, cereals, dried egg powder, cigarettes, wool, cotton goods, yarns, iron ore, tin, and timber, show the changing nature of the export trade.

The same story is told by the statistics of imports into China. Back in the seventies, opium made up forty-four per cent of the trade inward; seven per cent in cottons, six per cent in woolens, and five per cent metals were the principal other items. With modern transportation reflecting its influences by the end of the 'nineties, China's drafts upon Western goods had sent cottons into first place, thirty-nine per cent of all imports; foodstuffs reached sixteen per cent; opium fell back to thirteen per cent; kerosene appeared, accounting for five per cent. At the present time, cottons still lead at fifteen per cent; but machine equipment, modern transport, and metals total nearly nine per cent; sugar over seven per cent; kerosene just under six per cent; the rise of China's textile industry is marked clearly by imports of raw cotton amounting to practically five per cent, yarns over three per cent, artificial indigo over two per cent, and aniline dyes one per cent; tobacco products over five per cent; foreign food, itself a dietic revolution in the making, shows rice from abroad now amounting to six per cent, flour three per cent, fish products three per cent, and wheat two per cent; paper two per cent; and the balance running down to the "sundries" of modern commerce.¹

A picture of trade currents from the standpoint of national interests is no less important. The following tabular summary shows pre-war and post-war trade of China by countries:²

¹ Based upon "Reports of the Maritime Customs" (Shanghai), Part I, Report and Abstract Statistics.

² *Ibid.*, Report for 1924 (published 1925).

CHINA'S IMPORTS AND EXPORTS: DIRECT TRADE FOR 1913 AND 1924

COUNTRY	PERCENTAGE OF IMPORTS FROM		PERCENTAGE OF EXPORTS TO	
	1913	1924	1913	1924
Great Britain.....	16.5	12.1	4	6.5
British India.....	8.2	3.7	....	1.4
Japan.....	20.3	22.5	16.2	26
United States.....	6	18.3	9.3	13
Germany.....	4.8	3.7	4.2	2
Russia.....	3.7	0.9	11.1	6.1
Belgium.....	2.7	1.7	....	....
Dutch Indies.....	1.1	1.9	....	1.2
Netherlands.....	....	1.9	2.1	1.7
Singapore, etc.....	1.5	....	1.8	2.5
Macao.....	1.1	....	....	....
Canada.....	....	1.5	....	....
Korea.....	....	1.1	1.6	4
France.....	....	1	10.1	5.8
French Indo-China.....	....	0.9	....	....
Italy.....	....	....	2.6	1.1
Turkey, Persia, etc.....	....	....	....	2.4
Other Countries ³	4.4	4.6	8	3.4
Hong Kong ⁴	29.2	23.4	29	22.4

Total in Haekwan Taels—586,290,431 1,039,102,156 403,305,546 771,784,468
(Worth U. S. gold \$0.73 in 1913, \$0.81 in 1924.)

Finally, the significance of this alien penetration in human terms must be examined. The numbers of foreigners in China for 1914 and 1924 are presented here with:⁵

FOREIGNERS RESIDENT IN CHINA: 1914 AND 1924

NATIONALITY	1914		1924	
	FIRMS	PERSONS	FIRMS	PERSONS
American.....	136	4,365	470	8,817
Austrian.....	19	202	6	100
Belgian.....	15	173	26	573
Brazilian.....	....	....	....	1
British.....	534	8,914	726	14,701
Chilean.....	....	....	2	24
Czecho-Slovak.....	....	....	4	140
Danish.....	13	330	39	628
Dutch.....	14	218	38	448
Finnish.....	....	....	....	6
French.....	113	1,864	255	2,715
German.....	273	3,013	253	2,733
Hungarian.....	2	16	....	1
Italian.....	36	409	49	681
Japanese.....	955	84,948	4,278	198,206
Latvian.....	....	....	....	1
Mexican.....	1	1	....	8
Norwegian.....	9	258	19	575
Polish.....	....	....	1	5
Portuguese.....	32	3,187	131	3,657
Russian.....	1,237	56,319	934	85,766
Spanish.....	23	279	14	314
Swedish.....	4	216	12	225
Swiss.....	....	....	29	429
Non-Treaty Powers.....	5	95	....	75
Totals.....	3,421	164,807	7,286	320,829

³ Each less than one per cent of the total.

⁴ Though a crown colony of Britain, its free trade policy has made Hong Kong a clearing house for the South China trade; consequently the *total* trade of the United States, for instance, with China would be much in excess of the percentage for the direct. Therefore, where no figures are given in the table, it indicates that the volume of trade was found to be below one per cent or that no *direct* trade existed.

⁵ "The Returns of the Maritime Customs" for 1914 and 1924.

These figures reveal the extent to which extritoriality enters into present-day problems.

CHINA'S ECONOMIC BACKWARDNESS

Summed up, while there were virtually no modern communications in China at the end of the nineteenth century, to-day there are approximately 7,000 miles of line in operation. It is likewise true that a quarter of a century ago there was virtually no industrialization; to-day coal fields are being more and more extensively exploited, iron resources are being opened up, iron works are appearing in North and Central China, and natural industrial centers, such as Canton, Shanghai, Hankow, and Tientsin, are made over by the rise of the factory system under the shadow of the walls of these ancient Chinese cities.

This is the crux of China's present difficulties: irrespective of political conditions, China is ineffectively organized because her economic parity is far below that of a second-rate European nation.

Measuring the difference between China and the West in economic terms, we find a medieval economy, to all intents and purposes, confronted with the most highly developed business machines in the world. China's life-sustaining machinery is in the throes of transition, her business organization like Europe's in the Dark Ages, yet carrying a load requiring the utmost technical equipment, twentieth century methods, and material means can give if she is to become a constructive factor in world development.

CHINESE TRADE AND CUSTOMS CONTROL¹

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China's annual trade balance is normally unfavorable. In the five years since 1920 the total imports of merchandise into China have amounted to approximately 4,700,000,000 Haekwan taels (average value for the period 80 cents gold), while the total exports have equalled only 3,300,000,000 taels, leaving a net unfavorable merchandise balance of 1,400,000,000 taels for the five year period. There must be added to this the sums which China pays abroad each year as interest on its foreign debts, on foreign investments in China, as shipping and insurance charges and as other unfavorable invisible items. From the net unfavorable balance resulting must be deducted the considerable remittances to China of Chinese resident abroad, the expenditures of tourists and missionaries in China and other favorable invisible items. The net result of China's international transactions can, therefore, be only approximated, but the total net import of gold and silver during the past five years was 212,000,000 taels. In other words, after all transactions had been effected, this amount of gold and silver has moved to China since 1920. China, therefore, unlike India, which is the world's silver sink because of its favorable merchandise balance, has imported silver in spite of an unfavorable mer-

¹One of the "Preliminary Papers" of the Conference on American Relations with China.

chandise balance. That China has been able to do so is due to the credit balance of the invisible items, either current or capital. This absorption has amounted in the past five years to an average annual net import from the world of 42,000,000 taels.

Forces, however, are at work in China which may radically affect China's international financial position. These forces revolve around the industrialization of China, which is resulting in a growing demand for tariff autonomy, primarily for the purpose of protecting the struggling Chinese cotton and cigarette industries from foreign competition. When we consider that in the year 1924, twenty-five per cent of all China's imports was textiles and that China has sufficient arable land to grow the raw cotton and sufficient labor at home to manufacture cotton textiles, we realize how important to China's internal economy the question of protection becomes. As Great Britain and Japan supply most of these textiles their trade is the most seriously affected. The same is true, to a much lesser extent, in the case of the cigarette industry, which represented only three per cent of China's imports during 1924. It is interesting to note, moreover, that the total importation of these two commodities in 1924 amounted to 286,000,000 Haekwan taels, while China's net unfavorable balance in merchandise transactions for that year was only 268,000,000 Haekwan taels. Tariff autonomy, therefore, resulting in effective protection of the tobacco and certain lines of the textile industry, representing the only two commodities of importance in China's import trade which could be produced economically in China, would result in reducing China's unfavorable trade balance. As it seems probable that the adverse trade balance and the possible adverse balance on current invisible items has been offset in the past by foreign loans to China and foreign investments in China, a reduction in the former would, after the primary investments necessary to the development of these industries had been made, tend to reduce China's borrowings abroad.

A further examination of China's import trade in 1924 reveals the rather interesting fact that few, if any, of the other commodities in addition to tobacco products and textiles now imported could be seriously affected by high duties because fifty per cent of China's imports is made up of (1) necessities including raw materials and foodstuffs unobtainable in China, (2) materials essential to any further development of the textile or cigarette industries, or (3) products which China could not manufacture economically. Thus, twelve per cent of China's imports in 1924 was mineral oils, largely American kerosene; twelve per cent was cereals, including American wheat and flour; seven per cent was Formosan and Java sugar; four per cent Indian and American raw cotton; and two per cent was tobacco, chiefly from the United States, all falling in the first category of necessities, and foodstuffs, wholly or partially unobtainable in China. To this we may add the second category showing four per cent of China's imports represented by dyes and colors, essential in developing textile industry, and two per cent represented by machinery, both of which items are imported from Germany and the United States. In the third category are China's five per cent imports of iron and

steel manufactures and two per cent imports of paper—commodities which it is assumed cannot be produced economically in China. There are, therefore, in these three categories, alone, items totaling half of China's import trade which no system of economically adjusted protective duties could substantially affect. Protective duties on these commodities, it is assumed, would not be imposed, and revenue duties would not affect the demand. These items, together with textiles and cigarettes, total seventy-eight per cent of China's imports, leaving only twenty-two per cent of a long list of sundries, some of which might, but the majority of which would not, be affected by increased duties.

In the light of these facts the economic factors underlying recent events in China become clearer. In the textile industry a migration from Manchester and Osaka to Shanghai and Tientsin had already begun. In India it had been found that a net of seven and one-half per cent duty, even with the comparative lack of skilled native workmen, had transferred to India the manufacture of all but the finer lines of textiles. In China, the same thing was happening, largely because of the greater natural skill of the Chinese workmen, until the lowering of yen exchange, as a result of the earthquake in Japan, gave Japan just enough advantage to prevent further Chinese textile development, particularly in the finer lines. As a result, not only Chinese owned mills in Shanghai and Tientsin, but also Japanese and British owned mills in those places began to feel outside competition in certain lines. The imports of cotton manufactures in 1924 increased ten per cent over those of 1923, while the imports of yarn and thread for the use of the local mills decreased by seventeen per cent during the same period, partly due, however, to increased local yarn production. For over a year, moreover, many of the local mills in China have been running at a loss, particularly those specializing in finer goods, while in other cases drastic wage cuts and the employment of child labor have stirred up labor troubles. While the possibility of tariff autonomy and complete protection of these industries is at present remote, the prospect of a fifty per cent increase in the duty at the coming Customs Conference is naturally hailed with satisfaction by mill owners in China.

The effects on China's trade of a higher tariff such as will be provided by the Customs Conference are difficult to forecast. Presumably a fifty per cent increase in duties is not expected to interfere seriously with the present import trade, but it is not too much to suppose that it may be just the necessary encouragement needed by some lines of the developing textile and tobacco industries. Despite the fifty per cent increased imports of the finer English shirtings and sheetings in 1924, for example, China's exports of coarser shirtings and sheetings during the same period increased over 100 per cent. As imports of Japanese shirtings and sheetings, which are also of coarser quality, showed but a slight increase, the assumption is that the local mills were not only able to meet this particular Japanese competition in China but also even able to export, in competition with it, to other markets.

Whatever these effects may be, the whole present tendency toward tariff autonomy in China points to certain fundamental developments. In the first

place China's unfavorable merchandise trade balance will tend to diminish. With its diminution and the ultimate decreased foreign borrowing, China may become less and less a capital importing country, unless development of industry in the interior and extension of transportation, at present so difficult, may be made attractive enough to foreign capital. It is more reasonable to suppose that the economic savings effected by the greater development of the textile industry, in particular, will be kept at home and that China's proverbial demand for foreign capital, which has carried such fateful consequences in its trail in the past, will be more largely satisfied from domestic resources. The result may well be a tendency towards internal development in transportation and industry uninhibited by foreign influences.

From a purely economic standpoint Americans should welcome such a development. With it would come, we may confidently expect, greater demand from China for machinery, iron and steel products, automotive equipment and railway materials, while the decline in piece goods imports would affect us but slightly. In other words, in at least fifty per cent of China's present trade, we would stand to show an increase, whereas we could not lose in any decline in the remaining fifty per cent because our participation in it is, and can be, only relatively significant. The only industrialization that can take place in China along economic lines is in these imported commodities in which we participate in only the slightest degree, while the economic transformation of China resulting from such industrialization cannot help but create a wider market for our goods.

We are really witnessing in China to-day, therefore, a profound economic struggle—just such a struggle, in fact, as was witnessed in Japan several decades ago. Into that struggle Japan entered as a nation and emerged as a world power. Economic autonomy such as Japan gained was well worth the thirty years of careful preparation during which Japanese leaders had painstakingly trained themselves. The economic struggle is now on between a latent industrialization in China and established industry in Japan and England. The result of this struggle is full of significance, not only to China, but to all the other nations now participating in China's trade.

PROBLEMS OF ECONOMICS AND FINANCE IN CHINA

PROFESSOR JEREMIAH W. JENKS

I suppose that we are all agreed, from the point of view not only of politics and finance but also of good morals and religion, that perhaps the most important question facing the world to-day is this question of China. China has an enormous population and the character of that population is very high. From my experience with my Chinese students for many years, I have been able to say that from the records that these students had made, I considered the Chinese at least the equal of the Americans. Based on conversations with Chinese coolies and Chinese business men of the smaller type, pole-men, wheelbarrow men, and the like, I have said that so far as I

could see, they were as fit for democracy as a large part of our population in New York City, if I may venture to speak for my home town. I am not a candidate for office.

For these reasons, I feel that this question of China is of the most vital importance. I feel also that our point of view should be that of the welfare of China, because the Chinese after all are those most concerned. But in connection with that we cannot forget that it is the duty of China equally to consider her relations with other nations and the welfare of the other nations. It is an international problem, after all.

I think also that the chief influence that can be brought to bear to give the Chinese what would be best for them, is the moral influence of the rest of the world. In saying all of these things, I do not wish by any means to imply that we must not stick strictly to the realities of the question. I think that we do sometimes forget that there must be a recognized difference between our aspirations and our immediate policies. The aspirations look ahead, sometimes for a considerable distance in time, whereas when we are speaking of immediate policies, we have to determine what to do to-day, what to do to-morrow, what to do next year, in order that we may realize those aspirations.

We should also consider very carefully what the different types of people in China themselves think. I have talked with a good many Chinese, men who have been in China lately and other men who have been residents in America for some time, thoughtful Chinese, and I have not found any material difference in views between those whom I have considered the most intelligent, the most able leaders of China, and the ablest leaders of the business practical type as well as of the missionary practical type here. I feel, in consequence, that we can pretty readily agree on certain fundamental things. We have economic principles to consider; we have social principles to consider. All economists know that there is no likelihood of any conflict between sound economic principles, (sound business principles, to put the matter in another way), and good morals and religion. Quite the contrary, they all run parallel.

In other conferences of this kind, I have heard people who were rather impatient in their desire to get results, say, "You may talk about economic laws, but let's go ahead and rescue those poor children, regardless of economic laws." Well, you can't quite run over economic laws, you can't quite run over social laws; because both are founded primarily in the nature of humanity, as well as in other phenomena that we call business conditions.

Now the greatest single influence in business is the business man, and the business man, if he is a sound business man, has to consider the feelings and the wishes and the morals and the religion of the people with whom he is dealing, and I have myself not been able to find any real difference of opinion or in character between the sound, big business man and the sound, big business missionary. So far as I know, they go together, and they have much the same views.

We need to consider then this problem of China as a problem of human nature. Some seem to feel that we should think primarily of the Chinese,

of their sensitiveness and their feelings, and so on. We certainly ought to keep these in mind. Others have seemed to think that we ought to regard the feelings and the interests and the wishes of the American business men. We can't ignore either. We have to deal with both, and as a matter of fact, they are so tied up together that if we do consider the one at the expense of the other we are bound to fail.

In talking with some of the ablest and best of the Chinese with reference to what they have in mind for the future, they have quite cordially agreed that one of the big things that the present group of influential Chinese, both here and in China, must keep in mind is the financial credit of China, to-day, to-morrow, for the next ten or twenty years. They must be careful with reference to their present financial obligations in order that they may get what more they need to enable them to develop themselves well in the future.

It is a question of good morals for the Chinese, in order that they may see how, in meeting their present financial obligations, they may look ahead to the future with a reputation for being honorable and straightforward in their international affairs and in their questions of public credit.

Until within just a very few years the Chinese credit stood very high. People said that whatever the Chinese may do among themselves, China pays her foreign debts. I happened to step into the office of one of the leading bankers in New York who was interested in a loan in China when China first defaulted. I had been asked by the Chinese Government to see if something further could be done with reference to additional credit. I went into the bank and spoke to the banker in charge. He said, "But what can we do? Yesterday China defaulted. Nothing more can be done for the present." There was sorrow in his tone. He had taken risks for China. He was carrying a million dollar credit because he did not think the time had yet come to offer that credit for sale. His own firm was carrying that, and it had to continue to carry it, and probably is still carrying it, because of that little default. That was a tremendous loss for China, far greater than the loss to the banker.

I am not blaming the present Chinese for that. I am not necessarily blaming the Chinese that were in authority at the time. Conditions were such that avoidance of default seemed impossible. Nevertheless we must look at that matter from the point of view of what the Chinese are going to do now, or in the next year or two years. We must look for the attitude that they are going to take toward foreign business men, toward their financial obligations, as well as toward the question of extraterritoriality and the question of having full control of their customs. What is the effect going to be on the rest of the world? Let them look at all these things as practical men and as highly moral, sensitive business men.

I think I should say that on the question of customs revision, I personally have felt for more than twenty years that the treaties by which China was limited to her five per cent tariff were most unjust; that it was wrong, morally wrong as well as wrong from the business view point, for the foreign

nations not to insist upon revising those treaties sooner. It should have been done long ago.

I recall that after coming home from China in 1904, when I had had an opportunity of studying the question rather thoroughly, I talked the matter over with people in the Department of State. They quite agreed with me. They had gone even farther than I had any knowledge of. They said, "We have felt for a long time that we should do something to assist China to get control of her tariff. We have even gone so far as to consult with the other nations officially. We have proposed that we make arrangements with China as soon as possible, immediately, to permit her to arrange her tariff laws as she wishes to, with a maximum rate of twenty per cent."

I said, "Why not take the maximum off and trust China altogether on that matter? Of course, we don't hesitate to put on fifty per cent, seventy-five per cent, one hundred per cent. Why not let China do the same thing?"

I feel, if the matter is handled in the right way, with a sufficient time given, and the proper appeal made to the Chinese, that it is perhaps safer not to make any limitations than to make them, because, after all, if the Chinese were to call in experts to assist, they would try to make a tariff that would be best for China from the economic viewpoint, and that would mean a large free list which we do not now have. It would mean a tariff of ten per cent, twenty per cent, and on a few things perhaps a tariff of fifty per cent. I believe that a law could be worked out that, being beneficial for China, would be beneficial for the rest of the nations dealing with China.

Again, however, there are interests that need to be considered by the Chinese fully as much as by the foreigners. If the Chinese go ahead and make laws rather willfully and have these laws take effect too promptly, without giving people an opportunity for readjusting their business, then Chinese credit will be harmed, and more harm than good will be done. All those things need to be considered, and I have no doubt that in the Customs Conference that will shortly be held in Peking, those matters will be considered fairly by all parties concerned. I am certain from what we all know as to the attitude of our own Government that our delegates will be instructed to be very liberal and fair.

Intelligent Chinese know that the financial stability and salvation of China for years rested largely upon foreign control of customs. This service has been a model from the point of view of uprightness in its administration. Some of the best people from all over the world, including a very large majority of the Chinese staff, have been in that customs service, and the work has been very well done. The credits that China has taken rest largely upon those tariffs even now.

I am quite in harmony with the opinion of the Chinese that they want eventually (and eventually need not mean necessarily very many years hence) to have all of those positions in their hands, but it would be a matter of bad faith to the other countries to take these positions away too soon. Moreover, it would not be wise from the administrative viewpoint. The Chinese have good administrators among themselves, we know that through

many examples, but in that matter they might still very well afford to continue at their own will a foreign tutelage somewhat longer. The same thing would hold true in other fields. But there again, the real interests of China herself and of the Chinese would not permit, in the long run, hasty removal of all the foreign inspectors, and I do not think the Chinese would want it themselves. The same thing would hold, of course, with reference to the Salt Gabelle and to one or two other matters.

The likin taxes are collected mainly in the provinces, or by the provinces. Attention has been called to the fact that the Peking Government cannot control throughout China. Let us suppose that our Government should make a treaty with the Chinese Government now to abolish the likin in return for a little addition to the tariff. Does any Chinese here think that that provision could be enforced? I am quite of the opinion that it would be a promise that all parties to the treaty, Chinese and foreign, would know could not be enforced until some way can be found by which the tuchuns' power can be lessened. The military governors would continue to take these revenues, no matter what Peking said.

There again is a question that I think we Americans from our long experience and our present unhappy experience ought to keep in mind and might suggest to the Chinese: it is not wise to make laws and provisions that simply cannot be enforced. They are likely to be accused of ill faith in doing that, and that would be unfortunate. So in connection with these treaties that are likely to be drawn within the next few months—some of them in October, some of them in December—the Chinese should carefully maintain their own credit, and we should support them in doing so, and that will work in the same way as do good business principles for the foreigners and with the foreigners.

I have myself for many years believed very heartily indeed in the missionary work, as all of my friends know. I think that there is no other group of men that has rendered anything like so great a service to China from the outside; and the best Chinese, even the non-Christians, feel the same way and have said so to me over and over again. The missionary business interests are large. It is for them to determine whether it is good policy, in carrying out their more fundamental work, to say: "We will give up any special privileges we have had, and let them go. By so doing we shall gain more in our fundamental work than there is any likelihood of our losing." I am quite of the opinion that they know that business far better than do any of the rest of us, and if they want to do that, and I am glad that they apparently do want to do that, let them do it, but it is not quite the sensible or the fair thing for us to assume that all types of business and all types of business interests are the same and necessarily have the same point of view.

What might very well be the best possible business for the missionaries, might not be the best possible business for the oil companies, the machinery people, the cotton people, and so on. It might or might not be so, and our Government has to consider them all.

These things should be considered as business problems by themselves,

each separately. And yet the missionaries must not forget to whom they owe their support, and they, too, must be fair.

I quite agree that we should keep the moral viewpoint to the fore, and that we should do the right thing as we see it. But there again let me remind you that conscientious people often have differences of opinion as to just what is the right thing in a specific case. So I feel as regards these business questions that are up now, I am willing to let the missionaries speak for themselves, but the missionaries can scarcely speak for the rest of the business interests. I think the business men should follow their consciences just as carefully as the missionaries follow theirs, but when it comes to a specific application of moral or of religious principles, the missionaries know their business best, and the other types of business men know their business best.

Let us urge them all to be conscientious, let us urge the Chinese, too, to be conscientious; then I think we should go ahead, and not lose much time about it.

DISCUSSION OF CUSTOMS AUTONOMY FOR CHINA

DR. FREDERIC E. LEE: The first point of importance in the consideration of the financial situation of China, in the reform of or the abolition of *likin*, and like problems, is the matter of a stable government. A fiscal system becomes an essential, and a fiscal system is not possible without some form of stable government, able to levy and to collect taxes. Otherwise, budgets will continue to be what Chinese budgets have been in the past, simply pious hopes that revenues will somehow meet expenditures.

The situation to-day is that the revenues available to the Chinese Government for administrative purposes are about \$7,000,000 a year to meet an expenditure of \$128,000,000. In other words, the expenditures are seventeen times as great as the revenues at the present time. Of course no fiscal policy would be able to endure or to accomplish anything under those circumstances.

The reason for that situation lies partly in the fact that since 1843 China has been limited to the five per cent *ad valorem* duty, and for much of the time has been actually receiving much less than that.

As you know, the Chinese suggested the five per cent rate, but I agree that it has been unjust for the Powers not to allow the Chinese to revise that suggestion, no doubt made in an ill-considered moment as to what the limit should be. We do not hesitate to impose duties of fifty-five, seventy-five, and even ninety per cent, on Chinese products coming into this country, yet we are a party to the provision that allows the Powers to keep the Chinese customs at the small rate of five per cent.

Of course, the Customs Conference, to which we have been looking forward for so long a period, is soon to convene. I lived in the legation at Peking for the year of 1922 after the Washington Conference adjourned, and we spoke then of "the forthcoming Customs Conference," expecting it to "come

forth" that fall, so that something could be done to relieve the situation in China.

When I resigned from the consular service to return to university work, Doctor Schurman protested to the Department of State, because he said they needed some one at Peking to keep in touch with the situation by reason of this conference coming so soon, and that my going, with no successor under appointment, might interfere with the legation's keeping in close touch with what was being done by other Powers in preparation for this special conference.

It has been four years since the Washington Conference. Meanwhile the situation has grown so much worse that it is difficult for this forthcoming conference now to accomplish anything approaching what could have been accomplished in 1922. Then there was a floating debt in China of \$445,000,000. A year or so ago Doctor Yen announced that this floating debt had increased to something like \$750,000,000 (Chinese dollars). When you consider the concealed debt and other items, there are probably to-day at least \$1,000,000,000 of debt in China unsecured or so inadequately secured that it becomes more or less of a millstone around the neck of any government that seeks to establish control throughout the country.

It is, of course, reasoning in a circle when it is said that a stable government must be formed before financial assistance can come to China. Our bankers say, "When you put your house in order, we will give you the money."

The Chinese reply very logically, "To reform the currency which is back of all this matter, to put our financial house in order, we have got to have money. You prohibit us from raising our customs duty to a level sufficient to meet these obligations, and the situation has developed and gone beyond our control, and to-day we can't get the funds from outside by international loans, or from within by internal loans."

The whole matter, then, rests with the possibilities of a conference, like the one that is to come in October, going beyond its present scope. This suggestion is not original with me. Sir John Jordan, who knows China so well, made such a suggestion a year or so ago in a meeting of the China Society in London. He said that the scope of this forthcoming conference should be broadened to the extent that it would include a survey of the whole fiscal and financial position of China, particularly the latter.

I was glad to see in the remarks of Secretary Kellogg, in his recent Detroit speech, that he advocated an extension of the powers and privileges of that conference to include a general survey, in part at least, of the whole financial rehabilitation of China.

When it comes to the matter of the abolition of *likin*, you of course are dealing with what both Dr. C. T. Wang and Mr. Padoux, Advisor of Finance, consider a definite political question. They say, "The financial reconstruction of China is not primarily a financial problem. It is a constitutional and political question, the solution of which lies in the readjustment of the relations between the provinces and the central Government."

The tuchuns and local authorities are getting the likin. Until some political settlement is made by which, in return for giving up part or all of likin, a certain amount of definite revenue is to reach the tuchuns or the provincial authorities, it is impossible to hope to accomplish the abolition of this internal tax. It is to be noted that the agitation to-day by the business world for the abolition of likin because of its method of collection, and because of the difficulties it places in the way of business, grows out of much the same situations that prevailed when the five per cent customs duty became effective in 1843. The uncertainties, the vexatious interruptions of business by the Chinese authorities collecting any amount of customs that they could squeeze out of the trade, brought about the necessity at that time for some settlement, and it was the convention of 1843, in which the Chinese declared the customs should be five per cent, that gave to all Chinese tariffs the name "convention tariffs."

The situation now in connection with likin is that after the tariff has been paid at the port of entry the foreign trader or the dealer handling foreign goods is further subjected to those vexatious conditions that brought about in the first place the formation of the Maritime Customs service and the direction of its policies through foreign assistance and foreign control.

In the forthcoming Customs Conference there will be an opportunity for more foreign assistance, perhaps, than has ever prevailed before in the actual formulation of a policy for Chinese finance, and assistance of a kind likely to be acceptable to the Chinese.

The Chinese have not accepted the Consortium. As Mr. MacMurray recently pointed out in *Foreign Affairs*, the Consortium is there, but the Chinese Government has not yet seen fit to avail itself of facilities offered by the Consortium. But if, and when, the Chinese are ready to deal with it, it will be in position to make the requisite funds available for them, under conditions far less dangerous or subversive to Chinese sovereignty than those which have pertained in the past. He goes on to say that the Consortium has done a very effective piece of work in a negative sort of way in preventing the exploitation of China by other Powers or by lending agencies throughout the world.

We need to dispel the opinion that still prevails in many circles in China that that Consortium is primarily a political consortium. While it has the backing of the four Governments, the group of banks operate it themselves, and they are seeking to make loans to China, when such loans are needed and desired, for the benefit of the Chinese people, and to do away with this political grabbing for concessions that prevailed during the last decade of the old century. This Consortium stands ready to help China financially. We need to make clear to the American people, to the Chinese, and to others, the real purpose of this Consortium, that it stands to prevent some of the things which have taken place in the international dealings with China in the years that have come and gone.

In this Customs Conference China is to be represented. China is not represented on the Consortium. That is an international group of four

Powers. When the representatives of the Consortium came to China, the matter of including a Chinese group in the Consortium was considered. Provisions exist in the organization by which this might be made possible, but up to the present time the Chinese have not availed themselves of the foreign financial assistance which this Consortium has to offer.

In this organization of the Customs Conference there is opportunity, if the scope of the conference can be broadened to a certain extent, for that conference, made up of representatives of all the nations partaking in the Washington Conference, China included, to formulate a fiscal policy, and to formulate some method of funding the unfunded debt of China with foreign assistance. In my estimation this assistance will be accepted by the Chinese, because it is a measure in which the Chinese will be able to participate.

I look forward with a great deal of interest to the possibilities, particularly if Sir John Jordan's suggestion is carried out, that this conference, with the advantage of foreign assistance present, and made up of such men as the American representative, Mr. Silas Strawn, the British representatives, and others, may help to formulate and to guide the Chinese in formulating a real, workable fiscal policy.

The Chinese need assistance in financial matters and recognize this fact. In certain of the loans that they have floated in recent years, the need of that foreign assistance, not necessarily foreign control, has been very apparent. If you run through the list of Chinese unsecured debts, you will find debts to Chinese banks running at eighteen, twenty, and twenty-four per cent interest, and one debt on a Japanese loan at seventy-six per cent interest. You run through the debts of the old régime, and you get the interest rates down to four, five, or six per cent.

When a government is willing to contract loans, or irresponsible individuals in a government are willing to contract loans, at seventy-six per cent interest, or even at eighteen to twenty-four per cent, a situation exists under which it is impossible for a government to stand. When \$14,000,000 is issued in treasury notes at sixty-two, bearing no interest but to be redeemed in a certain number of months at par, conditions exist under which no government can go on.

When the Eleventh Year Internal Loan was considered on the security of the portion of the Boxer Indemnity due to Russia, the question was raised as to what money could be raised on that security. They came to Sir Francis Aglen, the able administrator of Chinese customs, and asked his opinion as to what methods should be followed in raising money on this security in 1922. He told them to present it first to foreign banks, because on that security there was no question at all about the foreign banks being willing to make loans almost up to par.

When they presented the proposal to the foreign banks, Doctor Schurman took the point of view, one which was concurred in by the other Powers, that by reason of the uncertainty of the future relations of Russia and China, there was some question as to the validity of the Chinese using that security for such a loan as they contemplated; that in the future there might be a

situation where the American and British and French Governments might have to side with Russia against China in the matter of the use of that Boxer Indemnity as the security for a loan.

They turned next to the Chinese, with Sir Francis Aglen guiding them from within and seeking to assist them, but not with sufficient power or sufficient control adequately to direct their activities. He sought to keep that loan from being made at the usurious rates that are usually connected with a Chinese internal loan. He pleaded with those concerned, according to information reaching me from a Chinese authority in the Ministry of Finance, not to issue the loan at a great loss to the Chinese Government. He even became slightly profane, and he is a mild-tempered man. But when the Chinese overruled him and made the actual issue price eighty-four and agreed to pre-pay two per cent interest, netting to the Chinese Government only eighty-two on a loan with excellent security, he threw up his hands and said that certainly a government could not hope to achieve financial stability by offering loans at that rate. In other words, \$8,200,000 for a \$10,000,000 loan on an excellent security, which was not questioned by the banks to which the bonds were offered!

I say that episode illustrates the need for financial assistance which the Chinese themselves recognize, not necessarily for financial control, but for the assistance of financial experts, such as the men making up the Customs Conference at the present time, in working out a loan policy, a debt funding proposition, and a fiscal policy, that will work for the future.

I believe thoroughly in the principle that China needs foreign assistance, and if China does not see fit to accept that foreign assistance in financial matters, particularly in an advisory capacity rather than through any definite control of force, the chaos which has characterized Chinese finance may continue for an indefinite period, and may prevent the formation of a working, central government with power sufficient to exercise control and authority throughout the country of China.

PROFESSOR CHARLES HODGES: When we take up the question of tariff autonomy and propose the restoration to China of the control of her tariff and the abolishing of conventional tariff, we might ask this question: What do we mean by the restoration of tariff autonomy to China? Do we mean we would abolish the Maritime Customs? I do not think it would be a great deal to give China a nominal right to control her customs rates. How far is that going to go in satisfying the Chinese sentiment? If the control of customs by an international régime is not to be continued, then a further step must be taken. What shall be said to the bankers of the world: (1) if you take out from foreign control the tariff rates upon which loans are depending for service, and (2) if the administration of the tariff is restored to China? What will the bankers do in regard to some hundreds of millions of dollars which are held in every quarter of the world?

DR. P. W. KUO: My understanding is that the restoration of tariff autonomy does not at all involve the question of the Maritime Customs. In fact, the Chinese Government, according to my knowledge, is prepared to go

a step further in the way of securing foreign experts and foreign participation in government affairs. At the Washington Conference the Chinese delegates made a clear declaration that it was the intention of the Chinese Government to maintain the *status quo* of the Maritime Customs, as this service is regarded by the Chinese people as being very efficient. China wants autonomy, wants real independence, wants her sovereignty unimpaired, and when that is secured she will go a long way to make such arrangements and will take such steps as will insure the interests of foreign nations and of foreign nationals.

DR. A. L. WARNSHUIS: With reference to the suggestion that the conventional tariff ought to be abolished and customs autonomy should be given to China, I should like to ask those who know whether it is not true that the situation has changed since a conventional tariff was established in 1842, making a modification really desirable? As I understand it, that tariff was arranged on the basis of mutual benefit. The foreigners, before 1842, in trying to trade with China were met with all kinds of exactions, irregular and undetermined, and it was a great advantage to them to have a uniform tariff, so that they might know what they had to pay. It was also a benefit to the Chinese Government. Previous to this, this income had come through Canton, and it was largely absorbed there. Is it not true that that situation has changed entirely? What the Chinese Government wants to-day is not so much the income, although it is hoped that there may be some increase in the income. But, after all, in the face of China's financial difficulties, the increased income would not be of great importance. The real thing that China wants is autonomy, in order that she may protect her industry, and, that she may have her sovereignty unimpaired. Those are the big interests of China to-day.

So far as the foreigners are concerned, I would like to ask whether we have reason to fear that by giving to China autonomy at this time we would again need to reckon with irregular and undetermined exactions. Is it not true that as a result of these eighty years of conventional tariff, the system of a regular, uniform tariff is permanently established in China?

I have here an extract from the *China Express and Telegraph*, published in London, September 3, which reads as follows:

With regard to China's action in bringing up the question of tariff autonomy, Reuter has received the following statement from an authoritative Chinese source: "To avoid any possible misconception it should be stated that no apprehension whatever need be entertained by the Powers regarding China's motives in desiring tariff autonomy or as to the influence which such autonomy may exercise upon their trade. It need hardly be pointed out that the Chinese Government realized to the full the value, from the national standpoint, of her foreign trade and commerce as a whole, and since this is so it is safe to discard any suggestion that the importation of goods would be in any way hampered by the imposition of excessive duties. As a matter of fact, the schedule of duties now being drafted for consideration by the Chinese Government is characterized by extreme moderation. Even upon so-called luxury articles there is no suggestion of any duty above thirty-five per cent, while as regards necessities the rates would be considerably lower. In-

deed, not a few articles would be admitted free of all duties. In requesting tariff autonomy the action of the Chinese Government is primarily and mainly inspired by the importance of the general principle underlying and involved in economic freedom and far less by anticipation of the results which may accrue from it."

I ask you, is that a fair statement from the viewpoint of the interests of foreign business men? Are we running too big a risk?

PROFESSOR G. B. ROORBACH: From the point of view of the business man, a university professor has perhaps no practical right to speak for business. And, of course, I do speak only my own impression. Further, there is great division of opinion among business men as to what is best for China and for business interests there. Several speakers have referred to the business point of view. I, for my part, fail to see that there is any one business point of view. I venture to say that among the various groups that are represented here, there is no group in which there is so great a variety of opinion as in the so-called business group. I think opinions within the business group are of greater variety than the opinions on the part of the various groups. We have had in this meeting expressions of opinion, by men who can rightfully claim to represent business interests, ranging all the way from an expression of deep love for the Chinese, but with the advice to sit tight, not to trust them and to grant them no concessions—all the way from that to an advocacy of an immediate relinquishment of the foreign privileges, such as we have been discussing.

However, I think that those of us who are interested in the business problems of China have gained from this meeting a recognition of the seriousness of the situation in China, but at the same time a feeling that the situation is very far from hopeless. We have gained confirmation that the situation in China is not merely another local disturbance, but that real and fundamental forces are at work which are rapidly altering the life and thought of the people, and their attitude toward Western business interests. The situation in China, however, is very far from hopeless from the point of view of doing business. We more fully sense the need that American business men have for recognizing the changed situation that exists in China and the need for thinking and planning in terms of those changes if American business interests are to develop. That, in itself, is an encouraging feature.

The days of special foreign privileges in China politically are apparently nearing an end, and the days of special foreign privileges commercially are likewise apparently nearing an end. I gain the idea that an increasing number of business men, strictly from the point of view of business, namely, that of profit-making, are recognizing that a free China is greatly to be desired. At least they are seeing that internal political stability and economic development in China are not necessarily to be determined by external control by foreign Powers. If the information concerning China that has been developed at this Conference can be made more widespread among the business community, a long step will have been taken toward improving the commercial relations between ourselves and that people with whom we have so long had such relations.

INDUSTRIAL CONDITIONS IN CHINA

DR. FREDERIC E. LEE

I went to China in a rather hybrid capacity as an American consul for economic investigational work. President Wilson and Secretary Lansing conceived the need at that time of having more accurate economic information regarding the various countries of the world, and a number of men were appointed to such positions.

I traveled through fourteen provinces of China, making an investigation of industrial conditions, and the conditions that were most difficult to handle in all of the regions I visited were in the extraterritorial settlements of Shanghai and Chefoo, and in the British Crown Colony of Hong Kong. The conditions in those cities that were worst from an industrial point of view were the conditions in the factories owned by Great Britain and Japan and other foreign Powers.

Take the cotton mill industry. In China there was one cotton mill in 1891, with 2,000 employees. Thirty years later, in 1921, there were ninety-three cotton mills with about 120,000 employees in all. Of those ninety-three cotton mills, seventy-two were Chinese owned, five were Japanese, and the remainder were British. In Shanghai and in the suburbs of Shanghai, the cotton mills controlled by the British and Japanese interests were and are the cotton mills in which the most unsatisfactory conditions exist.

I attended three sessions of the Shanghai Rotary Club, and you will very seldom accuse a Rotary Club anywhere in the world of being sentimental. They were considering the situation as related to labor conditions, and they had representatives of the Yangtzepoo cotton mills (the British Ewo mills of the Jardine-Matheson Company) and they had representatives of the Chinese cotton mills in and around the International Settlement of Shanghai. They did not bring any representatives of the Japanese mills to those gatherings when they were discussing conditions in the mills.

Men like Dr. C. T. Wang and Mr. C. C. Nieh, outstanding leaders in the cotton mill industry in China, spoke. Doctor Wang was at that time running a mill but is now in government service. Dr. C. T. Wang pointed out that in the Chinese mills they were putting in a ten-hour day, starting kindergartens and schools for children under six years of age, and not employing as large a number of women and children in industry as the Yangtzepoo and other British and Japanese mills along the river down toward Woosung were doing.

When the British manager of the Ewo mills was confronted with the facts and the conditions as these were being developed by the Chinese, he pointed out that you could not make cotton mills pay in China if run on such a basis. The reason for his argument was that it took three Chinese female operatives working twelve hours a day to produce as much in output as it took one female operative eight hours a day working in Great Britain, and for that reason he advocated the twelve-hour day, and defended the low wage

as well as other conditions that prevailed in connection with the labor situation in the cotton mills in China.

In Mr. C. C. Nieh's mills, and in mills around Shanghai that are controlled, like the ones at Nantungchow, you have attempts on the part of the Chinese to avoid the industrial difficulties that Western nations have passed through in solving the industrial problem. And where education is needed is not in having British and other foreign educators go to the Chinese mills from Shanghai and elsewhere to show them how to run modern factories, but rather in letting the Chinese educate the foreigners operating in China as to how to handle Chinese labor.

The Hong Kong Industrial Commission was a hard-boiled commission of British subjects who were not seeking to make out conditions among the Chinese any worse than they actually were. Just after the report of this Commission was made I visited the glass factories in the vicinity of Hong Kong. The Commission's report, made in the spring of 1921, was to the effect that in the glass factories boys were working, not twelve or fourteen hours a day, but eighteen hours a day, with three periods of one half hour off for refreshments. They lived in the factories, or adjacent to the factories. When these factories were investigated by this British commission, they were told that these boys were apprentices, and yet there were not enough men to be more than overseers of this group of boys working in the glass factories of Hong Kong.

I visited the Chefoo hairnet industry, one of the biggest industries of that port until Dame Fashion changed the styles in this country and practically put it out of business. At the time I visited there in 1921 and 1922, there were American concerns there employing from 1,500 to 3,000 girls and women in that industry. The Americans who run one hairnet industry employ about 3,000 girls and women, or did at that time, in checking over hairnets, steaming them, handling them over a lamp, working on them in unsanitary conditions.

These Americans supposedly did not employ girls under fourteen years of age. It is hard to determine the ages of Chinese. You may have a house-boy who looks to be twenty-five, and you find out he is sixty-three or so. Nevertheless, when you look at children, you can estimate a general average of their age by size, and I saw girls who were supposed to be fourteen years of age and over working in the hairnet industry twelve hours a day who were not any larger than my ten-year-old boy. The manager, when asked about it, said they were fourteen or fifteen years of age. I had strong reason to doubt his statement.

There is a strong tendency toward industrialization in China to-day. In thirty years they have made remarkable progress. When I went to China, I was told that about one half of one per cent of the needs of the Chinese people were met by machine production. In other words, the old hand-labor basis still prevailed. Certainly that condition is at least being modified, and if China is to be freed from the ills that have affected other nations passing through industrial revolutions, then educators from this country,

from England, France and elsewhere, need to go to China, not necessarily to educate the Chinese, particularly in certain kinds of industries, but to educate the foreigners operating in the treaty ports under extraterritorial laws.

DISCUSSION OF INDUSTRIAL CONDITIONS IN CHINA

MISS AGATHA HARRISON: There is one thing on which the Powers might come to an agreement in connection with China, and that is the very grave responsibility that they all have in connection with the introduction of the Western system of industry there. I have heard it said that this is comparatively a small matter, that it is no more than a cloud the size of a man's hand. But there is a great group of people who do not agree that it is no more than a cloud the size of a man's hand, and they are watching the development of industry in China very carefully. I refer to the workers of the world. If you watch their papers, you can see a great concern on the part of men and women who have themselves suffered so much in connection with the development of industry. They are watching what is happening in the East, particularly in China. And while some nations are drifting apart, there are groups of people in these nations who are united in their concern regarding this matter of industry. That is one of the things in which I see a great significance.

Although the industrial situation is not the fundamental cause of the great flame of feeling which has long been smouldering underneath the surface in China, the May 30th incident is an example of the kind of thing which serves as a spark to start a great fire such as the situation in China at the present moment.

In the preamble to Article XIII of the Peace Treaty, there is recognition of the fact that the unequal conditions regarding labor are one of the root causes of war. You have that root cause of war in China. I am not speaking about the Chinese responsibility for it. Our Chinese friends here know the grave responsibility that lies on them, because the Chinese own the majority of the factories there. I concern myself, as a foreigner, with the responsibility of the West in this situation. It is a Western system of industry. I do not say that we were the first to take it there. I think the first modern factory was started by Chinese. But there are factories under foreign ownership in China which have the conditions that we had in England one hundred years ago. In the treaty ports, wherein foreigners have special privileges, this situation in regard to industry maintains at this moment. So, while we have been hearing about China's setting her own house in order, I suggest this as a striking example of a place where the West could set its house in order in China without very much delay.

I think we can all agree that no one's hands are clean in regard to industrial development, although some of the Powers are more to blame than others when it comes to actual factory conditions. No one's hands are clean. The industrial situation in China is a great international question, and my point is that this is a place where, by setting our own houses in order, we

could help China, because we are all involved in this modern industrial question. As a practical suggestion, I would say that the observance of the minimum standards of conditions of work for men and women and children that were set down in solemn agreement in Washington in 1919 is a very good place to begin.

PROFESSOR G. B. ROORBACH: One of the crying needs in reference to understanding the Chinese question, a need emphasized by this Conference, is for more unbiased information concerning the industrial situation in China, and particularly concerning the probable nature of its future development and its effects upon the Chinese. To-day our facts are hazy; the information we are given is conflicting. We have assumed that the "industrial revolution" in China will be analogous to the industrial revolution of the West. There are facts to indicate that this assumption may be wrong. A careful study of the existing industrial situation with reference to the peculiar Chinese conditions would be, I believe, illuminating and helpful in understanding and in solving economic questions concerning China.

DR. ROYAL MEEKER: While there is an exaggerated notion in this country about the extent of the so-called industrial revolution in China, the importance of the industrial changes in China is not at all measured by the comparison of the number of employees working in modern factories and the number of the whole population, whatever that is, or the number of the working population. It is a matter that demands the earnest consideration of all the peoples of all the world.

Certainly those men who were assembled at Paris, men who are usually visited with the condemnation of those ignorant of the immense issues with which they were obliged to deal, made no more than a very moderate statement of the truth when they referred to the importance of industrial equality and pointed out that the international disputes and wars of the world were due in large measure to the inequality of labor conditions in different countries.

The thing that continually confronts me is the helplessness of the United States to regulate on a national scale conditions of labor at home, to say nothing of abroad. We have what is termed a federal system of government, and our most earnest efforts to try to get some consensus of opinion with regard to the regulation of child labor have utterly failed, first in the courts, and next in the country as a whole, through amendment to the Constitution.

We have been known to boast sometimes that we have the oldest republic in the world. If democracy functions so imperfectly and with such turmoil and friction in this democratic land, would it not be a miracle if China's recently established republic should function without friction? There is great disorder in China. The Chinese Government is unable to put into effect even the Berne Conference forbidding the use of white or yellow phosphorus in the manufacture of matches. They have accepted the Conference, but in every city in China which I visited, both white and yellow phosphorus were being used in the manufacture of matches.

Certainly the system of coercion in China has failed, whether it be governmental coercion or commercial or industrial coercion. Let us try coopera-

tion. That is the only way that our democracy can act to interest in the welfare of the workers of China those who are responsible for American industry in China.

I wonder if all the business men here would not agree that it pays to be just, that it pays to treat the laborers in China as well as in American factories justly, humanely, and with intelligence and enlightenment. It seems to me that that is the only thing that we can do.

As private citizens, we can help to compel, through public opinion, the American business men who venture into China to treat their Chinese workers in a humane and just manner. We can do that more effectively in cooperation with a stable and authoritative government in China. We must work through cooperation, not coercion. It is an utter impossibility to accomplish anything by coercion. We can however help China to establish a stable government through cooperation with her intelligent and patriotic leaders.

It has been asserted that China's house was her own to set in order or disorder, as pleased the Chinese. I do not share that view. We introduced much of the disorder, whether intentionally or unintentionally it matters not. We were the sources of much of the disorder that now prevails in China, just through the mere contacts of Western civilization. The disorders are there through our action. We certainly owe a duty to the Chinese to cooperate with them in every way we can, to help them to establish a government that will make effective their regulatory legislation and their solemn international treaties respecting the rights and privileges of the working men of China.

I have the utmost confidence that the Chinese people will set their house in order if we give them a chance, and that they will do the things necessary to carry out in good faith the obligations that they have assumed in entering into the international labor conventions.

Japan has accepted these international labor conventions and she is enforcing them not only at home, but she is also putting them into force in her factories in China. I have visited both Japanese and British factories in China. I want to say, in all justice to Japan, that I found much better physical conditions and labor conditions in the Japanese factories than in the British factories.

The Japanese had actual pay rolls. They knew how many people they employed in their cotton mills and whether Mr. Wang or Mr. Lee, or Mrs. Lee was on the job. They had the wage rates and the earnings open to anybody who can read Chinese. I had a Chinese interpreter along so that I had the advantage of looking at these statements. There is a very excellent emergency hospital in the particular Japanese mill of which I am speaking. They look after the health of their people. They had lunch rooms and definite lunch periods and definite working hours. The British mills that I visited were working on a twelve-hour day and were using the compradore system. They did not know whether they had 4,000 employees or 3,000, and they did not know whether the same employees worked day after day or whether there was a change every day. They had no luncheon period.

I want to call attention to the importance of the international labor conventions. I think I shall have to explain what an international labor convention is. It is not an act of legislation by a super-state, as has been said over and over again in this country, an absolute misrepresentation. An international labor convention is merely a treaty, and it has no force whatsoever until it is ratified, and then only in the countries so ratifying it. Japan has ratified many of these conventions, among them the conventions regarding women and child labor, and hours of labor, as adopted by the Washington Conference, and Japan is enforcing those conventions. Japan has certain leeway granted by the Washington Conference. But she has acted without taking refuge under the ameliorating clauses to which she could appeal if she so desired. China is exempted from the rigorous action of the conventions adopted at Washington, so that a much longer working day and a much lower age limit are permissible in the Chinese industries. But the important point is that we ought to do all we can to establish a stable government in China so that the ratification of these international labor conventions will be something more than a *beau geste*.

I want to speak of the hair net industry. The important part of it is in the home. I saw it in the factory and in the home, and in justice to the particular firm mentioned by Doctor Lee, I want to say the conditions in Chefoo as I found them were altogether different last spring from those that Doctor Lee found when he was there. The hours of labor in that particular factory were still rather long, ten hours as I remember, but the health conditions were good. The Chinese employees were of adult age. At least no children were employed under ten years, I am absolutely certain, and I think the management said none under twelve years. The health conditions were all right. The employees insist on closing the windows, but the rooms were large enough so that the air was satisfactory. But what were the conditions out in the country? I went out into the rural towns and hamlets and found the people where I could find them, laboring under most unhealthful conditions. There is no control whatsoever of these country workshops and no effort is being made to reach them.

I think that popular education is the most tremendous force in all China. In Chefoo I found young women employed in the hair net and other industries. These young women were in the night schools, studying the "thousand characters," learning to read and write, cheerful, happy. I couldn't talk to them, but I could smile at them. You can smile in any language. They were doing this work in the night school before going home to their dinners, or whatever the evening meal is in China. How many American working women and boys would stop and go to school to learn the fundamentals of democracy, or anything else, before they went home to eat?

MRS. P. S. EVANS, JR.: Twenty-four years in China is my excuse for speaking, and the observations I give may be of a more personal nature than those we have been hearing. One would say one deplores exceedingly the invidious comparisons between America and Britain. The British firms, let me remind

you, were started many, many years ago—most of them at a time when modern Christian sociology was not thought of. American business is comparatively young in China, and a number of men who represent American business are products of our colleges, where they have been taught these modern principles. That may be one reason for the facts that have been put before you. Also, some of the good firms of the Britishers have not been mentioned.

I live in a city that is not a treaty port, and the factories there are steadily growing. I think particularly of the flour mill and egg factory and a match factory. The women from one factory come out together and walk down the same road daily at five o'clock in the afternoon, and they are happy. They look and act like a crowd of public school girls getting out of school. They seem well fed, they are well clothed, and say they would not go back to the country for anything.

I have not looked into the factory conditions, but there is no doubt that the women and children, or rather the women and girls, feel that they have bettered their situation. Happiness is a matter of comparison, and they feel they are on the road upwards.

One day to a British woman who has spent her life in China among the country women I was deploring the fact that Chinese women were coming into factory life. She said, "Don't say that. You have no idea of the conditions among the country women in China. When she becomes a wage earner, a woman has become a personality to be considered in the household, and her condition is far better."

During the War, there was a young American in Shanghai, an employee of an American firm. He became engaged to a German girl and the firm requested him to leave. He was employed by another firm and sent up to our city, which is the capital city of Shantung. This little German wife of his was very capable. She said she wished to work with her husband. She went with him out into the country and found villages of very poor people—it was in the famine district—and she herself taught those women to make lace, to make hair nets, and whole villages are prosperous to-day because the wife of an American went out and taught them these things. Those nets were made in their own homes, and they were paid \$8 a month, which, those of you who know anything about China, know is a very good wage for a woman.

DR. FREDERIC E. LEE: I should like to correct two impressions—I was not attempting to make any comparison between the British and Japanese, but I simply pointed out conditions as I saw them. At the time I mentioned, there were cotton mills owned by those three Powers around Shanghai, and comparing the British system and the Chinese system in the regions adjacent to the Shanghai municipal area, that was what I found.

Another thing, I mentioned the hair net industry. One speaker has mentioned the fact that that was carried on in the home. There are three processes in the industry. One is that of the manufacture of the nets in the home, a process which has revolutionized the villages. The second is the

shipping of the hair nets to America for dyeing, and the third is the shipping of the hair nets back to China where they are sorted by laborers.

In 1921 girls were working in these factories and the conditions I referred to were the closed windows and the oil smoke and steam, of which Doctor Meeker spoke. Styles have changed since 1921. The consular invoices in 1921 showed \$6,000,000 in gold from the export of nets from the port of Chefoo. The American Consul told me that the \$6,000,000 export item for hair nets of 1921 had been cut to \$1,500,000 for the first half of 1922.

MR. CARL W. HAMILTON: I would like to say a word about what we have done in the Philippines, because I think it has some bearing upon what might be done in China. When I got out of college in 1913, China was in the throes of a revolution, so I couldn't go there to engage in commerce. I found, however, certain industries in the Philippines which were on the verge of bankruptcy, and I went there with some of my associates.

Possibly some of you know that we have built a modern village. We have the largest movie theater in the entire Islands. We have put private bathrooms in many houses, and public baths at ends of streets where houses have no bathrooms. We found that a very large percentage of children died a few weeks after birth, and we began to provide nurses and doctors for our employees. Now we have six or eight nurses and two doctors on our staff, and the percentage of deaths among the children is very small in our various factories. We also tried to improve the situation in shipping. We organized a fleet and tried to run it in a high-grade way. As a result of the Commission's rulings on rates, we have had to withdraw more or less from shipping.

Practically ninety per cent of business in the Philippines is controlled by the Chinese. Most of our copra comes into our factories from the Chinese. We have had a very intimate relationship with them. We have learned that we can take their word for vast sums of money, running into millions, and that they never break their word. We have found them to be very ambitious, thorough, and practical.

We hope that within a reasonable time China will get a strong central government. We hope to get a foothold there and to work out some of the things that with a reasonable degree of success we have succeeded in developing in the Philippine Islands.

REV. F. W. BIBLE: If an American corporation, chartered under the laws of any state, should establish a factory in Shanghai, do the laws of the state, or any other American ruling dealing with the employment of child labor, the hours of labor and women, all that legislation which we have, apply to that factory? Also a second question. If China herself should adopt legislation similar to our own, does the legislation of the Chinese Government apply to that factory? If these questions are answered in the negative, I should like to ask a third.

MR. CHARLES C. BATCHELDER: I hesitate greatly to answer those questions because I think they are extremely important, and I am not sure that my answers are accurate.

In the first place, it is generally understood that the territorial laws of Alaska apply to American organizations in China. I say it is generally understood, because the question has never reached the Supreme Court of the United States and has never been decided. That is the answer to the first question.

Answering the second question, if a Chinese corporation establishes a factory in a foreign settlement, the laws of China would not apply. The laws which would apply would be the regulations of the Municipal Council of the foreign settlement. If a Chinese factory establishes a factory outside of the concessions in China, the laws of China would apply.

REV. F. W. BIBLE: Then, is it not a fact that there is created a very anomalous situation of a great industrial center into which Western capital may pour on the one hand, and, into which Chinese capital may pour on the other, and upon which neither the legislation nor, in any considerable measure, the public opinion of the countries from which the capital originates can operate?

If I am correctly informed as to constitution of the Shanghai Municipal Council, is it not true that voting power in the rate-payers' meeting is given to corporations, as such, in proportion to the taxes and other rates paid? I should like to say I do not imply that those in Shanghai are all of a type that would take advantage of this situation, but if there were a group of corporations with the will to avoid the effect of all such legislation, Shanghai might perhaps be the most desirable place in which to locate capital.

MR. CHARLES C. BATCHELDER: As far as I have been able to discover in investigating this particular problem this last summer, there is an overwhelming sentiment in Shanghai in favor of passing modern industrial legislation to regulate corporations conducting factories in Shanghai, but owing to various other extraneous complications the matter has never been brought to a vote. I do not know that to be true, but I believe it to be true. It is, however, certain that other interests in Shanghai which have a predominant interest would very much outweigh any efforts which might be made by the relatively few corporations which operate factories in Shanghai.

The problem which we are discussing is one which has interested me a great deal for some thirty or forty years, and I have had rather good opportunities for investigation in the Orient. In the first place, if you attempt to take up the question which we are discussing, that is, the control of labor in China, you meet at once this situation which everybody offers you as an excuse, namely—if an American attempts to run a factory according to modern American industrial laws, he has to compete with Chinese, with Japanese, with British, and in some cases with other, factories which are running entirely without restriction, and the argument is usually advanced that if the American attempts to apply American standards, he will be undersold and so forced out of business, because he is competing with other people who are not so limited. That is the argument you usually meet.

Within the last few months, I had an opportunity to discuss this matter.

As a result of these conversations I believe that modern, humane, industrial methods have been demonstrated to pay. In this connection, I should like to illustrate by another country. I was for some time trade commissioner in India, and I was unofficially consulted by various people with reference to steps which were being taken in India, notably by some of the Native States which are entirely independent. There was, as far as I could find, no public opinion in favor of industrial legislation. There was certainly no demand for such legislation from labor unions or in connection with strikes, but the Government of India, the individuals composing it being exclusively Britishers, had given careful thought to the matter and had determined to put into operation as far as possible the labor recommendations of the Washington Conference. They felt that without public support, it was impossible to do so merely by putting laws through the legislature, and so they adopted a most interesting procedure. It was slow but effective. They went to the employers concerned. They armed themselves with a great deal of information, some of which was obtained from America, and some of which I obtained for them from Japan. They discussed the matter with individual employers, and they were finally able to put this modern legislation through the Indian legislature, not with the support of public opinion, not with the support of trade unions, but with the support of the employers concerned.

The reason for this is extremely interesting. Indian labor, while cheap, is inefficient. There is a tremendous amount of illness, of carelessness, of bad work, of absenteeism. Fines have been tried, discharges have been tried, everything of that kind has been tried without success, but they have found by experiment that if modern, humane, industrial methods are introduced it pays, and purely as a business proposition it is wise to put through, to support, and to enforce this legislation, and if you were to investigate, you would be surprised to find how public opinion among the employers is supporting this legislation.

I introduced this illustration to show what is possible in China. It is clearly impossible by legislation to reach the mills outside of the settlements. It is probably possible by legislation to reach the mills inside the settlements. But it is felt that it would be unfair to pass legislation in the settlements governing mills which would compete with mills outside the settlements. My suggestion would be that the way to handle the thing is that arrangements should be made for several intelligent people, not emotional people, but common-sense, practical business men, who realize that no industry can persist unless it pays, for men of that type, to go to China not only to the foreign mills, but also to go among the Chinese mills, to explain the experiences in the United States, in various mills in India, and in other places, and to endeavor slowly to educate the employers who control the situation into the convictions which many of us hold, that modern, humane, methods should be introduced, not only because they are just and right, but because they pay as a sound business proposition.

DR. P. W. KUO: I am glad that Mr. Bible raised his questions because I believe those questions touch a very vital point, not only in the industrial

situation in China, but also in its international implication. The direct answers given by Mr. Batchelder to those questions I believe are accurate. The industrial plants outside of the settlements, of course, come under the legislation of the Chinese Government, the foreign industrial plants are under the laws of the countries from which the capital originated, and those Chinese concerns that are established in the settlements of Shanghai come under the regulations of the Municipal Council. That, as has already been pointed out, presents a very complicated situation, and it is one of the causes of international friction.

The recent trouble in Shanghai originated from a labor strike in a Japanese cotton mill. Inasmuch as the Chinese Government has no control over such industrial disputes, it is not in a position to do anything to ameliorate, or to help to reduce the amount of, friction between labor and capital in the settlements.

This constitutes one of the chief reasons why extraterritoriality should be removed in China. I think we must admit that modern industrialism in China, no matter whether we want it or not, is bound to grow and to develop, and as time goes on, there will be more cotton mills and other industrial plants established in China. But with the spread of education, with the increase of knowledge of what the modern standards of industry are in Western countries, the laborers in China are constantly demanding better treatment, better labor conditions from the capitalists. Such being the case, friction between the laborer and the capitalist is bound to grow, and as long as extraterritoriality is not removed, it will be a source of international complications.

I am sorry that facts compel me to disagree with Mr. Batchelder as to the industrial situation in China. As a matter of fact, the industrial plants outside of the treaty ports are now regulated under rules and regulations promulgated by the Ministry of Agriculture and Commerce several years ago, and those regulations are more strict than the proposed regulations of the Shanghai Municipal Council.

Moreover, the report of the Industrial Commission shows that the percentage of child labor in foreign industrial plants in the settlement is much higher than that in the Chinese industrial plants. It is a well known fact that while there are Chinese industrial plants in which labor conditions are not desirable, as is the case with plants under foreign auspices, nevertheless, there are Chinese concerns in Shanghai in which we find the most humane, the most modern regulations and rules governing labor. Take for example, the Commercial Press, one of the Chinese concerns—having departments both in the settlement and outside of the settlement. There we find all kinds of privileges and facilities for the laborers. They encourage the workmen to purchase shares from the company. They give them a very high percentage of the profits of the company as bonus. Two years ago they devoted \$100,000 toward the building of a library and a club. They have an evening school, a sort of Y. M. C. A. where the laborers can receive education in their spare moments. They have a dispensary. They have ma-

ternity allowance for the women workers. It has been declared by many industrial experts who have seen this company that the labor conditions found there compare most favorably with the most modern plants in America and in Europe.

The point which I wish to emphasize is this: that under existing conditions, every labor dispute may lead to an international friction. The fundamental way of removing the possibility of such friction is the removal of extraterritoriality.

COMMUNICATIONS¹.

WALTER S. ROGERS

[The matter of cable or radio communications between the United States and China was significant for the Conference on American Relations with China, because more adequate and cheaper cable or wireless facilities between the two countries would make possible a fuller interchange of news and so aid in promoting mutual understanding.]

In 1871 a British company laid a cable from Singapore to Hong Kong, which at the former city made connection with cables to Europe. This company is a subsidiary of the great British cable combination, commonly known as the "Eastern." In the same year a Danish company, the Great Northern Telegraph Company, laid cables connecting Vladivostok, Nagasaki, Shanghai, Amoy, and Hong Kong. This company operates cables in north European waters, and its western and eastern cable systems are connected by land lines across European Russia and Siberia.

At the time the first cables were laid, the companies apparently had received no special grants from the Chinese Government, the nearest approach to an authorization being a general letter by Mr. Anson Burlingame, written while he was in Europe at the head of a Chinese Mission.

From time to time the two companies have laid additional cables. Together they dominate the cable situation in the Far East. At an early date they reached an understanding and have steadily sought to maintain and to strengthen their positions. The companies have agreements with China on the basis of which they claim a monopoly over Chinese external communications until the beginning of the year 1931. In bare outline the history of the agreements is as follows:

Under date of March 6, 1899, an agreement was entered into, which contains the following provision:

That in the interest of both parties to the agreement, dated 13th of May, 1897, and for the same term of years, that is, until the 31st of December, 1910, no other party will be allowed without the consent of both the said parties to land telegraph cables on the coast of China and islands belonging thereto, or to work such cables in connection with the Chinese lines, or otherwise to establish telegraph connection which might create competition with or injure the interests of the existing lines belonging to China or to the Great Northern Telegraph Company of Copenhagen. This shall, however, not prevent the

¹ One of the "Preliminary Papers" of the Conference on American Relations with China.

Chinese Government from establishing local internal cables where no competition can arise, nor from consenting to the junction by cable of Port Arthur with the Russian telegraph system for the exchange of limitrophe local traffic, neither shall it prevent the transmission of terminal Formosa traffic over the Foochow-Formosa cable now belonging to Japan, whilst other traffic must not be exchanged by this line, except with the consent of China and the Great Northern Telegraph Company of Copenhagen. (MacMurray: "Treaties and Agreements With and Concerning China: 1894-1919," p. 103.)

In 1900, the British cables went no farther north than Shanghai, communication with Peking being carried on over Chinese land lines. The events of the Boxer Rebellion made imperative (in the British view) an extension northward of the British cable system.

Under date of April 23, 1901, the British Government entered into an agreement with the "Eastern" for the provision of a cable between Chefoo and Weihaiwei. In this agreement, the substance is given of two agreements executed between the Chinese Telegraph Administration on the one part and the "Eastern" and "Great Northern" on the other part, bearing the dates respectively of August 4, and October 27, 1900. One paragraph reads:

All existing agreements and concessions between the Administration and the companies, or either of them, are to be extended and shall continue in force until the 31st day of December, 1930. (MacMurray, p. 270.)

The monopoly agreement of 1899 and the agreements of 1900 were secretly obtained and were kept secret. The exact dates of the two contracts of 1900 are significant. On the first date (August 4) the foreign legations in Peking were being besieged; on the second date (October 27) Peking was occupied by an Allied military force. China was in chaos; there was no responsible Chinese central government, and it is difficult to conceive of any Chinese official having authority to bind his government to so important an agreement as the extension of monopoly cable rights. The Allied Powers were presumably acting in good faith and committing themselves to the policy of the Open Door. (See notes exchanged during the period.)

An agreement of 1913 virtually reaffirms the 1900 agreements. This agreement likewise was obtained secretly. (MacMurray, p. 67.)

The agreement of 1899 carries an endorsement reading, "Vu et approuvé: le Ministre de Russie et de Danemark," and the Russian Imperial family was financially interested in the "Great Northern."

In the course of a discussion in May, 1901, in the British Parliament, Sir Charles Dilke said:

"The effect of the agreement [that of April 23, 1901, between Great Britain and the "Eastern"] would be that the Government were binding themselves to maintain for the two companies concerned—the Eastern Extension and the Great Northern Telegraph Companies—a monopoly in the work of all Chinese submarine lines, but the declared policy of the United States Government is to establish direct communication with China, and this agreement would bind the British Government to resist that." (MacMurray, p. 273.)

The United States had long been on record as opposing cable monopolies, and in 1899 and 1900 there was a definite movement in the United States,

looking toward the provision of a cable to connect the United States with Asia.

On the first point: As early as 1874, when the Danish Government sought the assistance of the treaty powers in obtaining from China protection for the lines of the Great Northern Telegraph Company, the then Secretary of State concluded a dispatch to the American Minister with the statement:

While concurring, therefore, in the desire to afford assistance toward the protection and encouragement of telegraphic enterprises in China, I am of opinion that general advantages and general protections should be kept in view, and that a monopoly or exclusive grant is not to be desired. (U. S. Foreign Relations, 1875, p. 274.)

In 1881, there was an exchange of notes between the American Minister and the Chinese Government, in which the former vigorously insisted that no cable monopoly should be granted. In this stand he was fully supported by his Government. (U. S. Foreign Relations, 1881.) The subject was again up in 1887 and in 1889. China Dispatches, 1887, No. 470; 1889, No. 971.) American opposition was based on the grounds that a cable monopoly would be detrimental both to Chinese and to American interests and that a monopoly would be violative of American treaty rights. (Particularly of Article XIV of the French Treaty of June 27, 1858.)

As to the second point: For many years there had been discussion in the United States with reference to a trans-Pacific cable. With the acquisition by the United States of the Hawaiian Islands and of the Philippines, such a cable became inevitable. In 1899, President McKinley directed the attention of Congress to the subject. Hearings were held, and two distinct plans took shape—one for a government-owned cable, the other for a privately owned but governmentally subsidized cable.

Undoubtedly the cable companies through the monopoly concessions of 1899 and 1900 sought either to prevent the laying of a trans-Pacific cable or to determine the conditions under which such a cable could be landed in China. Only a few months before the outbreak of the Spanish-American war, the "Eastern" secured at Madrid a monopolistic cable concession covering the Philippines.

Certainly the British Government was apprehensive as to the part the United States in the future was likely to play in the Far East. The absence of a direct trans-Pacific cable, operated by American interests, would tend to minimize American influences.

In the course of Congressional hearings in 1902, a representative of the Postal-Commercial interests stated that plans were being carried out for a trans-Pacific cable, for which no subsidy would be asked. Congress, therefore, took no action. In 1921, an official of the Postal-Commercial stated that one-half of the stock of the Commercial Pacific Cable Company was owned by the "Eastern" and one-quarter by the "Great Northern." (Hearings on Cable Landing Licenses, U. S. Senate, S. 4301, 1921, p. 270.)

In 1904, the Commercial Pacific Cable Company entered into contracts with the "Eastern" and the "Great Northern." The company laid a cable

from San Francisco to Guam via Honolulu and Midway, a cable from Guam to the Bonin Islands (Japan), a cable from Guam to Manila, and a cable from Manila to Shanghai. It remains the only cable system providing communication across the north Pacific. No competing cable has been laid, and, in view of the Chinese concessions and the power wielded in the telegraph world by the "Pacific Commercial," the "Eastern" and the "Great Northern," there has been no possibility of other private cable enterprises going into this field.

So far as the writer of this memorandum is concerned, he knows of no one, aside from officials of the Commercial Pacific Cable Company, who believes that the cable has adequately met the needs for trans-Pacific communication. Certainly this is true if the needs are envisaged as including assured service at rates sufficiently low to stimulate international commercial intercourse and to further a generous exchange of press matter.

Under date of February 21, 1918, a contract was entered into between the Chinese Ministry of the Navy and the Japanese firm of Mitsui Bussan Kaisha, Ltd., for the construction of a radio station capable of direct communication with Japan, America and Europe. (MacMurray, p. 1519.) A supplemental provision, dated March 5, 1918, reads:

During the period of 30 years mentioned in Article 4 of the Contract, the Government shall not permit any other person or firm to erect, nor shall it erect by itself, any wireless station in China for the purpose of communicating with any foreign country.

Reference is made in the contract to the cable monopolies, the idea apparently being that either an understanding would be reached with the cable companies, or that competing radio services would not be established until the expiration of the cable monopolies.

Under date of August 27, 1918, an agreement was entered into between the Chinese Ministry of War and Marconi Wireless Telegraph Company, Ltd., covering the financing and sale to the Chinese Government of certain wireless telephone field sets. (MacMurray, p. 1440.) This was followed by an agreement, dated May 24, 1919, by which the two parties agreed to form a Chinese National Wireless Company. The object of the company is given as being to manufacture and deal in wireless telegraph and telephone apparatus, etc., and to repair and maintain wireless installations, but not to operate stations. Of this contract, which is to run for twenty years, one provision reads:

If goods supplied by the Chinese company are not lower in quality nor higher in price to those offered by other companies, the Government will purchase exclusively from the Chinese company all of its present and future requirements in wireless telegraph and telephone apparatus, materials and supplies, and further, if the Government suffers no loss by giving such work to the Chinese company, the Chinese company shall be exclusively entrusted with the repair and maintenance of all wireless telegraph and telephone apparatus and equipment in China.

Under date of January 8, 1921, an agreement was entered into between the Minister of Communications and an American radio company—the Federal Telegraph Company of California. This agreement contemplates the erection

near Shanghai of a high-power radio station, capable of communicating with the United States, and the erection of secondary stations at Harbin, Shanghai, Peking, and Canton.

The contract is a rather complicated one, and has since been modified. It contains no monopoly provision. It has, however, been argued that the contract does in fact confer a monopoly. The contract contemplates radio services between the United States and China—the Federal Company to provide the necessary American stations—and that trans-Pacific radio traffic gathered by the China-Federal stations should be transmitted over this circuit. As there is nothing in the contract that would prevent the setting up of competing trans-Pacific radio circuits, the American Government takes the position that the agreement is not of a monopolistic nature. In general, the Federal contract provides for the erection of the stations for the account of the Chinese Government, for their ultimate outright ownership by the Government, and for their operation for a period of years by a Radio Administration, participated in both by the Chinese Government and by the Federal Telegraph Company.

The Japanese, British, and Danish Governments protested the granting of this concession. The Danish protest was based upon the cable monopoly held by the "Great Northern" and the "Eastern." The British protest was based on this and also upon the Marconi Company's contract with China. As to the latter, it was not claimed that the business should have necessarily gone to the Chinese company but that the Chinese company had preferential rights.

The Japanese protest was based on the Mitsui contract of February 21, 1918, especially upon the supplemental declaration of March 5, 1918.

The United States gave, and is giving, vigorous diplomatic support to the Federal company and takes the stand that the monopoly concessions are in violation of the American treaty rights and of the Open Door.

The subject of trans-Pacific communication was on the Agenda of the Washington Conference on Limitation of Armaments, but for various reasons was not considered at length. The Conference, however, adopted a resolution regarding radio stations in China. The resolution does not deal with the concessions referred to above. It carefully sidesteps the difficult questions created by the existence of radio stations—unauthorized by the Chinese Government—in leased territories, in the South Manchurian Railway Zone and in the French Concession at Shanghai. The Chinese delegation took the occasion formally to declare "that the Chinese Government does not recognize or concede the right of any foreign Power or the nationals thereof to install or operate, without its express consent, radio stations in legation grounds, settlements, concessions, leased territories, railway areas or other similar areas." One paragraph of the resolution adopted at Washington greatly curtails the use of the American Government radio station located in the Legation grounds at Peking. Formerly this station intercepted American news radioed at Manila and made such news available to the press. The resolution has considerable value as a recognition of Chinese authority over radio stations unquestionably within Chinese jurisdiction.

Presumably the agreement entered into at the Washington Conference in regard to the Open Door, will stand in the way of the granting by China of cable and radio monopolies. Yet of this the writer of this memorandum is by no means sure.

A proposal was submitted to the American delegation to the Conference to the effect that American, British, French and Japanese radio interests, acting together, be permitted to develop Chinese radio—virtually a radio consortium. The suggestion did not meet with approval. (The correspondence is published in the Report on the Radio Industry issued by the Federal Trade Commission.) M. Viviani submitted to the Conference a resolution along the same general line. It was shelved.

Following the Conference there was a series of meetings of representatives of Great Britain, Japan, France, and the United States, who attempted quite informally and unofficially to work out an accord between the various cable and radio interests that would be acceptable to them and in the general interest. The scheme proposed has not met with general acceptance.

Somewhat later the Federal Telegraph Company of California entered into negotiations with the Radio Corporation of America that finally resulted in the organizing of a new company, the Federal Telegraph Company of Delaware, in which both companies became interested and to which (with consent of the Chinese Government) the Federal Chinese concession was transferred. (See Report on Radio Industry already referred to.)

In brief the trans-Pacific communication situation at the moment is this:

- (1) There is one cable across the north Pacific—that operated by the Commercial Pacific Cable Co.
- (2) The Radio Corporation of America conducts a radio business between the United States and Japan.
- (3) The American Navy owns and operates several high-power radio stations in the Pacific. By act of Congress the use of these stations for commercial and press business is narrowly restricted.
- (4) The radio stations provided for in the Federal contract have not been built.
- (5) The station provided for in the Mitsui contract is in operation but does not communicate with American stations.
- (6) The Powers concerned are supporting their respective nationals who claim cable and radio monopolies.
- (7) The American Government is giving the Federal diplomatic support.

Without first hand knowledge of the correspondence exchanged between the Powers and of current negotiations between the various interests, it is quite impossible to appraise the present actual situation.

Any broad consideration of trans-Pacific communication raises the question as to the significance of such communications. If the view is taken that there should exist between the United States and the Far East adequate facilities—cable and radio—providing both direct and alternative routes and

handling traffic at low rates with a view to furthering commercial and other contacts, then needs are certainly not being met, not even approximately.

With broad social, economic, military, and political purposes in mind, Great Britain, Canada, Australia, and New Zealand, acting in partnership, provided a cable connecting Canada and Australasia. It was laid about the time the cable across the north Pacific was put down. The same British interests that secured a monopolistic concession in China tried to prevent the laying of a government-owned cable from Canada to Australasia. The major lengths of that cable are now being duplicated. (See Johnson: "Annals of the Pacific Cable," and the Annual Reports of the British Cable Board.)

The Department of State seems to have evolved a definite policy, in one direction at least, in regard to trans-oceanic cable and radio communication between the United States and other countries, namely, that such communication, wherever possible, should be direct and not controlled by extraneous interests. Such a policy is dead set against traffic between China and the United States being handled either through Japan or by a Japanese company.

The Chinese delegation to the Washington Conference stated that it was the policy of the Chinese Government to own and to operate telegraphs and radio. There is much to be said in favor of giving support to this policy. Although such a policy may result in slower development, control either by a foreign company or by several foreign companies, whether of the same or of different nationalities, would certainly result in innumerable difficulties.

Radio in foreign settlements and other Chinese territory not under actual Chinese control should not be allowed to develop in such ways as to compete with Chinese installations or to give the owners any special commercial or other advantages.

A suitably organized radio broadcasting system might be of great political and educational advantage to China. But if utilized to further selfish or factional interests it might result in many unforeseeable problems. It certainly should not be controlled by foreigners.

THE STATUS OF MISSIONARIES IN CHINA¹

DR. A. L. WARNSHUIS, Secretary of the International
Missionary Council

Missionaries of the Roman Catholic Church first went to China in 1582, not reckoning the earlier mission of which no traces remain. They had therefore been at work in China for more than three hundred years before any treaties were made between China and other nations. During part of this time they enjoyed the favor of the imperial court in Peking. At other times, they suffered opposition and persecution. Whatever the attitude of the Government was, they persisted in their devoted efforts and with a considerable measure of success established missions in almost all of the eighteen provinces. However, when the Western Governments intervened for the opening of China

¹ One of the "Preliminary Papers" of the Conference on American Relations with China.

to trade, the Roman Catholic missionaries were the first to appeal for similar assistance. Through the efforts of the French envoy toleration for Chinese Christians was obtained by an imperial edict in 1844. Prior to that time, under edicts issued in the eighteenth century for the purpose of suppressing the Christian religion, it was not lawful for any Chinese to become a Christian. It is important to note that this toleration edict, although issued in response to representation of the French envoy on behalf of the Roman Catholic missionaries, was entirely an act of the Chinese Government, and was in no way dependent upon the actions of a foreign power.

The first missionary of the Protestant Churches to go to China arrived in 1807. Up to 1842, the position of both the Protestant and Roman Catholic missionaries was contrary to the laws of China, which prohibited all foreigners from residing in the country, and permitted the traders to visit Canton only during the trading season each year. At the end of each trading season, the foreigners were compelled to retire to Macao. The first Protestant missionaries went to Canton as in the employ of the trading houses.

By the treaties of 1842 and 1844, five ports were opened for foreign residence. The missionaries, like other foreigners, could reside in the open ports, and were permitted to erect churches there, but there was no stipulation giving them any liberty to seek converts, and they had no legal right to reside or even to travel in the interior, or to purchase property there.

However, when the treaties were revised in 1858-60, each of these contained a guarantee of toleration for Christianity, and a promise of protection in the exercise of their faith not only to missionaries but also either explicitly or by implication to Chinese Christians. The Russian minister was the first to formulate such an article on religious toleration, by which the Chinese Government agreed "not to persecute its Christian subjects for the exercise of the duties of their religion," and to give permission to a fixed number of missionaries to travel in the interior to propagate their faith. In the negotiation of the American treaty of 1858, an article on Christianity was inserted as a result of the persistent efforts of the interpreters, S. Wells Williams and W. A. P. Martin, both of whom were missionaries. This article reads as follows:

Article XXIX. —The principles of the Christian religion, as professed by the Protestant and Roman Catholic churches, are recognized as teaching men to do good, and to do to others as they would have others do to them. Hereafter, those who quietly profess and teach these doctrines shall not be harassed or persecuted on account of their faith. Any person, whether citizen of the United States or Chinese convert, who according to these tenets peaceably teaches and practices the principles of Christianity, shall in no case be interfered with or molested.

An abridgment of this article was included in the British treaty. The French treaty provided that "the members of all Christian communions" should "enjoy entire security for their persons, property, and the free exercise of their religious practices," and that protection should be given to missionaries traveling with passports in the interior. It recognized the right of any

person in China to embrace the Christian faith and provided for the abrogation of all edicts against Christianity. The British and French treaties were not ratified till 1860, and then in a supplementary convention the French secured the affirmation of the imperial edict of 1846 for the toleration of Christianity. Moreover, the Chinese text of this paragraph, which differed materially from the authoritative French text, promised that the toleration of Catholicism should be promulgated throughout all China, that those who illegally arrested Christians should be punished, that churches, schools, cemeteries, lands, and buildings taken from the Catholics in earlier persecutions and before 1842 should be handed over to the French representative at Peking for the Christians in the localities concerned, and that it should be "permitted to French missionaries to rent and purchase land in all the provinces and to erect buildings thereon at pleasure."

These treaties of 1858 and 1860 obviously worked a very great change in the status of missionaries and of Chinese Christians. The permission to travel in the interior was a direct reversal of the earlier arrangement by which foreigners found beyond a certain distance from the treaty ports were to be arrested and conveyed to the nearest consul. They might meet opposition from the populace, the local gentry, or even the officials, and the Peking Government might at best give them only half-hearted support, but back of them were the Western Powers, who were also pledged to ensure the protection of Chinese Christians. Western Governments and merchants might be lukewarm towards missionary work, but if the Chinese denied any rights guaranteed in these treaties the interests of all foreigners and of commerce and the security of the whole of foreign intercourse would suffer. Religious toleration was not voluntary on the part of the Chinese, but assumed the character of still another imposition by foreign Powers. As Mr. Dennett has commented, "These Chinese were free to abstain from Christianity as from opium, but they were not free to prohibit them."²

The privileges conferred by the interpolated clauses in the Chinese text of the French treaty were long a subject of debate and often a cause of friction. The Chinese authorities seem never to have contested their authoritativeness, and in the Berthemy Convention of 1865 they partially assented to these clauses, but there were frequently great difficulties in obtaining their enforcement. As the privileges granted by these clauses were claimed by the French missionaries, the American and British Governments felt themselves constrained to claim equal privileges for missionaries from their countries. In the treaties that were made in 1902-3, after the Boxer Uprising, toleration clauses were included that more clearly defined and confirmed these missionary privileges and the principle of religious toleration. The most complete statement is that of the American treaty, which is as follows:

Article IV.—Christianity; its teachers and followers not to be discriminated against. Rights and duties of missionaries.—The principles of the Christian religion, as professed by the Protestant and Roman Catholic Churches, are recognized as teaching men to do good and to do to others as

² "Americans in Eastern Asia," page 574.

they would have others do to them. Those who quietly profess and teach these doctrines shall not be harassed or persecuted on account of their faith. Any person, whether citizen of the United States or Chinese convert, who, according to these tenets, peaceably teaches and practices the principles of Christianity shall in no case be interfered with or molested therefor. No restrictions shall be placed on Chinese joining Christian churches. Converts and non-converts, being Chinese subjects, shall alike conform to the laws of China; and shall pay due respect to those in authority, living together in peace and amity; and the fact of being converts shall not protect them from the consequences of any offence they may have committed before or may commit after their admission into the church, or exempt them from paying legal taxes levied on Chinese subjects generally, except taxes levied and contributions for the support of religious customs and practices contrary to their faith. Missionaries shall not interfere with the exercise by the native authorities of their jurisdiction over Chinese subjects; nor shall the native authorities make any distinction between converts and non-converts, but shall administer the laws without partiality so that both classes can live together in peace. Property; land purchased by missionary societies.—Missionary societies of the United States shall be permitted to rent and to lease in perpetuity, as the property of such societies, buildings or lands in all parts of the Empire for missionary purposes and, after the title deeds have been found in order and duly stamped by the local authorities, to erect such suitable buildings as may be required for carrying on their good work.

The advantages and disadvantages of these toleration clauses have been debated by missionaries from the time of their first enactment. Among the advantages claimed, it is pointed out that these clauses have made possible most of the missionary activity of the Christian Church in the interior in China from 1858 to this day. To the missionaries was given the right to preach throughout the empire, and the protection of law for their lives and property. While Christianity does not depend upon treaties and political power for its propagation, these articles prevented the Government of China from becoming a persecuting agency. The weak and inexperienced churches were spared the ordeal of persecution and were sheltered until time had been given for their growth in numbers, influence, and intelligent comprehension, and in faith and courage. On the other hand, the very serious disadvantage that arose out of the placing of Chinese Christians under the protection of foreign Powers must be recognized. To be sure, it was only as protectors of the faith of the converts that a foreign Power could legally intervene, but in practice the result was to separate the Chinese Christians from the mass of their fellow countrymen, and to make of them an enclave under the defense of aliens. So much was this the case, that until comparatively recent years the Chinese authorities unwisely but persistently made a sharp distinction in the terms used to describe Christian and other Chinese subjects. Moreover, because of this protection, there were brought into the churches those with unworthy motives who feigned conversion. These clauses were a serious blow to the prestige and sovereignty of the Chinese State as they practically removed Chinese Christians from its jurisdiction. Under them the missionary came as part of the aggressive West, depending on agreements wrested from the Chinese Government by war. His message, accordingly, could not but be

compromised and often was misunderstood. By no means every missionary or every Chinese Christian invoked their defense, and so far as the Christians are concerned these clauses in practice have become almost a dead letter. Moreover, through faithful and consistent living, both missionaries and Chinese Christians have overcome many of the disadvantages of these treaties and have witnessed to the coming of what a multitude of Chinese have acknowledged to be a new spiritual and religious power into the ancient Middle Kingdom.

Under the Republic, the clauses in these treaties that guarantee the religious freedom of the Chinese Christians have become obsolete, because religious liberty is now guaranteed by the Constitution of the Republic. This human right would doubtless be vigorously defended by the Chinese people themselves, and no protection under treaty with foreign powers is desired or necessary.

DISCUSSION OF THE MISSIONARY SITUATION IN CHINA

DR. R. E. DIFFENDORFER: From the missionary point of view, I desire to point out that our so-called vested and commercial interests in China are very large, both in scope and in importance. First of all, there are to-day in China about 8,000 Protestant missionaries, of whom about 4,500 are American. There are also 159 Roman Catholic missionaries from the United States at work in China. This American missionary population is about one half of the American colony in China. Our interest, therefore, in everything that is involved in the revision of the treaties is exceedingly important from the standpoint of the personnel involved. Those of us who are missionary administrators have upon us the very anxious care and responsibility for these missionaries and their families.

Consider, also, what is involved in the investments in property. It has not been possible for us to estimate either the total amount of the investments that have been put into property on behalf of the American missionary interests in China or what the present appraisal values of that property may be; suffice it to say that it is many millions of dollars, the investments having been made over a period of seventy-five years or more. This property consists of educational institutions of all sorts from kindergarten to college, university and professional schools. There are also the churches, many of which are still the property of the American mission boards. Then there are the residences, the hospitals and dispensaries, the orphanages, as well as the agricultural and industrial training schools, the publishing and printing establishments, and the building enterprises of the Young Men's and the Young Women's Christian Associations. These properties are scattered all over China. Many if not most of them are located outside of the treaty ports. Here are investments in property, funds for which have been supplied by American business men, the men to whom we go continually for the money to be used in these enterprises and institutions on behalf of the Chinese. It must be very apparent to the Conference that when questions

relating to the abolishing of special privileges are concerned, the missionary groups have very practical issues to face in the safeguarding of these investments.

Again, our commercial relationships are of no small significance. Through the work in their offices missionary administrators have to do with problems of trading, purchase and shipment, with the customs regulations, and with business conditions, not only at the treaty ports, but also far in the interior of China. We have to meet the family needs of these 4,500 missionaries, needs which cannot be supplied entirely from China. We have to provide for the equipment and for the continual rehabilitation of these institutions, thus giving our purchasing departments a steady line of business, not large in volume but important from the viewpoint of having the channels of trade kept open and working smoothly.

Our steamship and railroad travel makes it necessary for us to guard constantly the safety and comfort under which our missionaries travel. It is estimated that from 1,200 to 1,500 American missionaries are either going to or coming from China each year. When we add their friends and relatives and our missionary and other deputations, it may be realized why the steamship companies consider the business of the missionary boards a valuable asset.

May I mention also our interest in banking and finance. It is estimated that from eight to ten millions of dollars are spent annually by the American missionary interests on behalf of China. In our offices we are therefore acquainted with, and sometimes seriously disturbed by, the conditions that surround the forwarding of money, the banking of funds, the issuance of letters of credit, and certainly by the problem of exchange. If there is any one group in America that has suffered by the vagaries of exchange, a thing which is a good deal like electricity—you don't know what it is, but you know how it works—it is the mission board group. The board which I have the honor to serve has lost nearly a million dollars in the last five years through exchange processes in transmitting funds to China, and all the other boards have had similar experiences.

The whole matter of communications is most important to us, carrier, post, cable, and radio, a question which has far-reaching consequences in the carrying on of all missionary business.

When there is talk, therefore, about practical issues involved, I stand to say that the missionary groups have just as practical issues at stake as any others represented in this Conference. I enumerate these items because I desire that the groups in the Conference outside of the missionary profession should realize that when we face up to the question of extraterritoriality and related issues, we are facing up to many difficult and complicated questions which vitally affect the Christian movement in China.

We could approach these problems, of course, very much as has been suggested at this Conference, and very much in the way nations have approached China's problems in times past, that is, by taking any one of these items and dealing with it as a separate, detailed problem. We could insist

upon better communications; we could argue for better treaty provisions with reference to property; or we could ask for better care and protection of our missionaries, although this is rarely needed. We could in these and in other ways seek to patch up our relations with China, but I desire to say that our advices from China all indicate that such a procedure would be futile. These advices come to us from China to-day from our men of experience, men who I think you must grant are very close to the Chinese because we are not in China to sell the Chinese something, but we are there in cooperation with the Chinese, meeting with them, working with them day by day in varied enterprises as well as employing thousands of them from our own funds. When, therefore, we consider the question of extraterritoriality and related issues, the advices we have from China indicate that we have an entirely new situation to deal with that makes it impossible any longer for us to evade the main issue—the fundamental attitude of the so-called Treaty Powers toward the sovereignty and integrity of China.

With such vast interests at stake in the midst of the present chaotic conditions in China and the demonstration of so much “anti” feeling of all sorts, the missionary group is being forced to clarify its own thinking as to our main business in China. If these 4,500 or more American missionaries are in China as the vanguard of American civilization, we are in for a sad disillusionment. If they are the advance agents of American business, we have little to our credit. If they are there to impose a superior culture, we are met with reminders of our own shortcomings. Even with these vast and widespread vested interests, and with the safety and welfare of our missionary personnel involved, we are happy to state that an examination of our fundamental business in China shows that we are primarily purveyors of good will, of the gospel of Jesus Christ, that we toil and sacrifice with both life and treasure exclusively for the welfare of the Chinese and that we labor with them for the salvation of the whole world.

The reason I feel this so keenly is because I think the time has come when the so-called Treaty Powers need to abandon their traditional handling of this question, and with a bit of imagination see that there is a new day upon us and a new attitude that must be met. I hope that I personally, and all the missionaries of the Methodist Episcopal Church, both here and in China, as well as the rest of us, will see to it that the point of view that has crept into our thinking about China in recent years, that it is in our power and right to deliver to the Chinese just as much as we want to deliver to them, is a point of view that should be abandoned forever.

When I think of the property interests, of banking and finance, and of business and commerce, the things spoken of in this Conference as the practical considerations in this situation, I confess I have got to shift position and attitude, for property and the vested interests and the commerce and banking of the missionary group in China to-day are not the “hard-boiled” factors. They are the things that are easily adjusted. They are temporary. But the things that I am concerned about are those real factors that do abide and therefore are the practical and the “hard-boiled” factors, that is, self-

respect, confidence, and good will, on the basis of which business and missionary and educational groups can continue throughout all the years their mutual relations with this great people.

DR. JAMES H. FRANKLIN: I spent some years in the West where the cowboys rode bucking broncoes. Sometimes friendly enemies would put burs under the saddles to make the horses buck all the more violently. Now we of the Occident may not be entirely, or even chiefly, responsible for China's weaknesses, but I think we have within history put a few burs under the saddle of China's horse. There are friends now telling us that China must control the horse before we will consider seriously her demands. Is it not like saying to the cowboy, "Whenever you make that horse stop bucking, we will take the burs from under the saddle"?

Whether I am a "practicalist" or "idealist" doesn't matter for this moment. There are some who seem to be willing to be called "practicalists," but I have listened for them to tell us a single practical thing to do in this situation except to sit tight.

Now, I submit that, if the situation in China cannot be met with force, as everybody acknowledges, (and heaven forbid that it should), and if we cannot grant the demands of the Chinese in reference to extraterritoriality, it is up to the "practicalists" to tell us what practical steps to take.

I have been a foreign mission secretary with some administrative responsibility for work in China for nearly fourteen years. In that time, in our most remote stations, so far as I recall, there has never been an act of violence, nor a threat of personal violence to a single missionary of our society. Perhaps, I should qualify my statement, for there may have been something of the sort near the International Settlements. I speak primarily of the remote stations. In this time of crisis, with the exception of two families who are British subjects and therefore are subjected to worse misunderstanding than is true of the Americans, every missionary so far as I am aware, is at his post in these remote stations, away from the protection of foreign concessions, without any serious fear of personal danger.

We may be called "idealists," but we know that the old diplomacy has failed to handle the China situation. It is not for any of us to make a preachment, but it is well to face the fact that some things in the old diplomacy have got to go, especially the assumption that the Eternal has given to some races a right to dictate to other races.

Science and invention, as some one has said, have made the world to-day a neighborhood, and this is not exactly the same world in which these treaties were negotiated. The conditions are different, and nothing less than friendship and brotherhood in international affairs will help to save this situation.

The organization which I have the honor to represent has already put itself on record with the United States Government as favoring a new deal for China, and expressing the hope that, if necessary, our Government will press for action in which all of China's righteous aspirations will be gratified.

This is not only a crisis for China; it is a crisis in world affairs. I am

glad to say that many of us believe that the most practical thing at this hour is to recognize that conditions have changed, and to insist that the men of the Orient be treated to-day as our brothers.

DR. WILLIAM E. STRONG: I cannot speak for the mission boards as a whole. As far as I know they have had no conference as yet for the purpose of determining what attitude or action to take. I can speak, therefore, only for the board which I have the honor to represent, the American Board of Commissioners for Foreign Missions.

For more than a year, the correspondence from our fields in China has indicated a growing disturbance and dissatisfaction among our missionaries with their situation in the present condition of China. It has not been a sense of personal alarm that has been expressed or of direct alarm for their work. They share and we share the feeling that there is no menace of physical danger for the missionaries, and probably no likelihood of serious interruption of their missionary activities, unless it be here and there and for a while.

What the missionaries feel most keenly is that they are being put in an unfortunate position by reason of the fact that when the extraterritorial rights were granted, special privileges were given to the Christian missionaries: the right of residence anywhere in China; protection of their persons and property; permission to spread Christianity freely where they would; assurance that those who should be won as converts would be protected from persecution, and so on.

Our missionaries have the feeling that they are thus being misunderstood, and in a sense suspected, particularly by the student class in its inveighing against extraterritorial rights; and are being counted, as they have been openly proclaimed, defenders of imperialism, capitalism, militarism, and any other *isms* that should be added thereto.

Now, the missionaries do not consider this charge to be true and they think increasingly—they are not united about it yet so far as I have learned—but they think increasingly that those special privileges should be foregone; and many of them declare to us that they would like to have the board at home announce that it would no longer claim those special privileges.

That proposal is now under consideration by us of the American Board. I cannot foretell what the action will be. Perhaps it may involve some reference back to the field for concurrent action. But my impression is that the American Board will come to feel that it should yield those provisions promptly, without any great sense of difficulty, and as simply trying to prevent unjustified suspicion and irritation.

The case presses in this way: the missionaries see that the Christian Chinese with whom they are associated are put in an embarrassing position; these Chinese are compelled to bear a load of suspicion and of dislike, because they are allied with these protected and privileged foreigners; and by their acknowledgment of themselves as Christians, or because of the common understanding that they are such, they are caught in the net of alleged foreign domination. So that it is not for themselves alone or for their work

directly, but for the correction of an injurious misunderstanding that the missionaries urge this matter.

So far as I know, there has been very little interruption of work among our missions. The hospitals and medical lines are not disturbed at all; the evangelistic work but slightly. Even in places where there were student demonstrations there was still good will and kindly greeting to the missionaries, so they have written; and the usual and sometimes even increased opportunity to do their work.

The schools in certain centers have been closed temporarily as a consequence of student disturbances. The word that has been coming lately is that, with but few possible exceptions, all expected to open this fall. Some of the schools have done so already and report even increased enrollments; so that I do not think it is right to say, from the standpoint at least of the American Board, and I presume from that of other boards as well, that the missionary situation is immediately and seriously imperiled by what is going on in China. But the missionaries are coming more and more to feel, as I think we are at home, that we ought to disassociate ourselves from that which gives, or is likely to give, a mistaken impression over there.

The American Board's home office is in Boston, where we are accustomed to a constant flow of jokes at the expense of our city. One of the epigrams that is frequently reiterated thereabout is that Boston is not so much a place as a state of mind. For that reason, we come to lay a good deal of weight, as a matter of self-respect, on states of mind. So I think the American Board will feel that the most serious and the most penetrating concern of the present situation in China, and that to which we ought to address ourselves just as far and as fast as we can, is the state of mind which has grown among the Chinese out of the rising national spirit; that we should be eager to clear away whatever is misleading or needlessly provocative of irritation, and to do everything possible to exhibit friendliness and good will toward those whom we are trying sincerely to help.

MRS. E. H. SILVERTHORN: I find it a little difficult to speak for thirty-one women, for I am representing thirty-one women's national foreign missionary organizations, either boards or women's departments of boards, and the presidents of those thirty-one organizations are quite competent to speak for themselves. Some of them are here at this Conference to-day.

I am feeling very strongly the advantages of such a conference as this, because it gives us a cross-section of so many various interests, and affords an opportunity to find the mind and the problems of other groups whose thinking and whose situations we probably have not quite fully understood, yet groups which have more or less relationship with our foreign missionary enterprise.

I believe that this Conference may be a help to our boards in their administrative capacity, enabling them to understand better some of the related problems that they must meet together with those other interests involved, but I think I must say this, for our boards with headquarters in America and for our missionaries in China, that I believe there is no group

who are so well informed as to the situation in China or who are in such close touch with the present happenings in China, or are in such strong sympathy with the aspirations and the problems and the ambitions of China to-day. A number of those boards have already expressed to our Government their desire and hope that in the forthcoming conference extraterritoriality may be done away with as speedily as possible.

The policy of our boards has always been to work *with* and not *for* the Chinese, that is, it has been a policy of cooperation. Conditions to-day have made that cooperation, I think, more marked. Our objective has been the development of an indigenous church in China, the Chinese leadership of which shall come to full control of that church and of its property as rapidly as possible. I believe the conditions of the present moment are accelerating that transfer of responsibility.

On our mission councils, in our mission stations, in our churches, in our schools, in our hospitals, the Chinese have a part in counsel, in administration, in responsibility, and that part is being steadily enlarged. Some of the boards even now have a majority of Chinese in these positions of responsibility and administration.

I believe that partly out of this Conference and partly out of the present situation is going to come an acceleration of this transfer of responsibility which is already being developed with more or less rapidity in China—that is, giving more and more responsibility to the Chinese Christians, developing with more and more urgency the trained leadership to bear these responsibilities to carry this work, to make as quickly as possible our policy an actuality, namely, that there shall be developed in China an indigenous, native Christian Church.

DR. JOSEPHINE LAWNEY: I merely wanted to say a word about Chinese protection, not in the summer resorts but in Shanghai, although not in the International settlement or the French concession. I am connected with a hospital in Shanghai in the Chinese city. It has been there for forty years, through revolutions and civil wars, and in all that time the doors have never been closed. We have had Chinese protection.

I would like to relate a little incident that happened last winter during the civil war. Word came to me to my house, which is about five city blocks from the hospital, that some soldiers were trying to get into the hospital and that I should come at once. At the same time our business manager telephoned the Chinese police. I went to the hospital as soon as I could get there, but before I arrived a detachment of Chinese policemen arrived—ten or twelve fine looking officers, and they looked quite capable of handling any situation. There proved to be no situation. The Chinese soldiers really had a sick man with them, and he had a lot of friends and they came along, and the numbers looked formidable to the Chinese gate-man. But that is another story.

Sometimes I wonder what kind of cataclysm people expect if we withdraw from extraterritorial protection in China. I cannot understand it. I have not only lived in Shanghai but I have lived in Szechwan and have

survived the perils of that perilous country, and I assure you I would go back to-morrow if I could. I traveled for three days on a small Chinese steamer in Szechwan before I could speak Chinese, but, without any other foreigner on board, I felt safer than I have felt in the outlying districts of New York and Boston.

BISHOP D. T. HUNTINGTON: Most of us missionaries reside in inland cities. We are away from the consuls. It seems to me perfectly reasonable that under such circumstances we should give up our extraterritoriality. I cannot see that we stand to lose anything and I am sure we stand to gain a great deal in the good opinion of our Chinese friends. Probably many people will not agree with me, but if we as a class could move for something of that sort, it might be of considerable help as a first move in the direction of taking away extraterritoriality in general.

DR. A. L. WARNSHUIS: I think the religious question has changed altogether in China. We have in the treaties from 1858 on certain clauses which give to the missionary special privileges, altogether apart from his rights as an extraterritorialist. Before those clauses were enacted, it was illegal for a Chinese to become a Christian, and it was forbidden any foreigner to leave the treaty port for more than twenty-four hours.

That situation has changed absolutely. China, in the provisional draft of the constitution, has provided for guarantees of religious liberty, and if that principle were ever questioned, I believe the Chinese people themselves would contend for that universal human right of religious liberty. That provision of the treaty with reference to religious liberty is therefore obsolete in that such liberty does not now depend upon a treaty.

Moreover, I want to suggest that the home base of missionary work in China to-day is not in America or in Europe but is in the Chinese Church itself, and in order to carry that work forward, the Chinese Church ought to be relieved of the handicap under which it suffers to-day of being under the protection of foreign Powers, and therefore being misunderstood as an alien religion.

THE SHANGHAI MUNICIPAL COUNCIL

MR. J. J. KEEGAN

Allusion having been made to the Shanghai Municipal Council as having no one here to speak for it, I modestly put myself forward as a friend and supporter of the Shanghai Municipal Council.

I am a ratepayer in Shanghai and I shall attempt to give you only the Shanghai side of the case. I shall present no plan or program for solving China's complex problems, but I can possibly tell you a few things that will assist you to realize that the Shanghai Municipal Council is a body worthy of the respectful consideration of the world, especially during the present crisis.

I am quite sure my fellow countrymen residing in Shanghai and in other parts of China would be deeply appreciative could they be here to observe

the attention that is being given to the study of the problems confronting the Western Powers *vis-à-vis* China. We out there are placed similarly to soldiers in front line trenches, some of whom are told off to duty in the listening posts. They have a fair idea of what the other fellow is up to but not what their own headquarters is doing, and meanwhile they may be blown up.

It must not be taken as a rebuke or criticism on my part on the deliberations of this Conference if I say that future meetings of this kind will be even more largely attended, no matter who sponsors them. No country in the world but China possesses soil with the quality of making whomsoever sets foot upon it an expert on China. The Dollar, White Star, and Cunard Lines are running large excursions to China regularly, thereby creating many experts and at the same time giving the Chinese a chance of seeing many specimens of our citizenry at large.

It is unfortunate that the young men from China who are over here to study and acquire Western ideals are not present at this session to listen to what I have to say. I am a friend of the Chinese people; I have lived long among them and have been honored with the friendship of many of their leading citizens. This fact, though, does not deter me from stating facts to this American gathering of friends of China, without fear or favor.

The Municipal Council in Shanghai has the responsible task on its hands of governing approximately one and a half million people; and of maintaining amicable relations with the provincial authorities. I believe that no city in the world can claim a greater degree of success in its city government than Shanghai, and this is due entirely to the fair and clean handling of the interests of all concerned including those of the large Chinese population.

These Chinese have all sought residence in the International Settlement for the reason that they could live in peace and security and could have not only the many advantages of schooling and other things connected with good government, but also could be immune from the persecution of their own provincial officials. The reputation of Shanghai as a City of Refuge has been spread by the satisfied Chinese residents, and the result is that whenever any local row breaks out between one provincial tuchun and another, large hordes of refugees crowd into Shanghai. They have been at times a great burden on the Municipal Council, as their health must be safeguarded and they must be protected.

The Police Department of Shanghai has been developed until it is a very fine and effective organization. It has to be to cope with the pick of China's criminals who flock there to ply their trade. Commissioner of Police McEuan, who is at the head of the department, is the son of an officer in the British Service. He is a highly educated gentleman and has a record of twenty-five years of honorable and efficient management of the Shanghai Police.

In the agitation leading up to the outbreak on May 30, it must be understood that genuine students were then in the minority. It is more easy

in China to pose as a student than in America. There all that is necessary for any young Chinese to do to be taken for a student is to don a long coat reaching to his heels. Those of you who have been in China know that the average coolie puts on a "long coat" whenever he can and takes on airs of importance with little difficulty.

There were a great many young Chinese at that time attending the Shanghai College on Seymour Road. This is not to be confounded with the Shanghai Baptist College, a very fine institution indeed. The concern I mean was a notorious communistic organization. These Chinese were very active as agitators and in spreading Bolshevik propaganda. Following the incidents of May 30 the Council found it necessary to curb the activities of this group and seized the premises on Seymour Road, ejecting those who resided there, and occupying it with British or American sailors, I have forgotten which. A large quantity of Bolshevik documents and printed matter were seized and these added weight to the evidence the police already possessed, showing the existence of a subtle and effective communistic organization in Shanghai, with substantial funds at its disposal to create disorders in the Settlement.

From time to time, when real or imagined Chinese governmental disorders arose, it has been the practice of the so-called "student agitators" to circulate their pamphlets in the Settlement, and to do their demonstrating likewise in its safe confines, instead of bravely asserting themselves on Chinese territory, within reach of the Chinese police or the military forces. One such occasion was the provincial war from September to November, 1924, when General Chi Hsieh-yuan, of Nanking, and General Lu Yung-hsiang, of Hangchow, fought their war just around Shanghai. Lofty patriotic ideals were cited by each general as his reason for fighting, but the downright underlying contention was the "squeeze" on opium and other drugs in the Shanghai area regarded as a regular perquisite of the Chinese general holding the Lunghwa Arsenal near Shanghai. This "squeeze" amounts to about twenty million Mexican dollars yearly. A quarter of a million refugees flocked to Shanghai. I will not go into details regarding the barbarous treatment given to these poor country-people, but rape, pillage, and everything horrible one could imagine were the order of the day.

I am in the Shanghai Volunteer Corps and am a member of the Light Horse, which has a strength of 104. In all, the S. V. C. totals about 1,500 men under the command of Colonel W. F. L. Gordon, and is a mixed international regiment with British, American, Japanese, Portuguese, Italian, Chinese, and Scandinavian units. It is considered the equal of any other 1,500 troops on earth.

In such periods as I allude to the entire defence force, Volunteers, Police, and Special Reserves, are mobilized. On each occasion they were under arms for long periods and served to prevent any Chinese forces from entering the city.

During all this period the customary student agitation about sovereign rights died down, and I cannot recall one instance of a Chinese student

getting up and saying anything against the rapacity of his own people, neither do I know of one volunteering to assist in the protection of the Settlement, although there is a very efficient Chinese Company in the S. V. C.

Out in Shanghai, perfect accord exists between the American and British communities and since May 30 they have been facing and are facing the issue with a united front. America is substantially represented in the Volunteers and in the Special Police Reserve.

In closing, I want to add a word or two about the head of the Shanghai Municipal Council. You will be proud to know that he is an American, Mr. Stirling Fessenden, who is filling his second term as Chairman of the Shanghai Municipal Council. He is also a distinguished lawyer and is a member of the Fessenden family of Maine, and a graduate of Bowdoin. Mr. Fessenden was previously chairman of the Watch Committee, a select group appointed from the body itself to give special attention to the management of the police and particularly to the security of the Settlement, and this requires careful attention. Not one action of the Shanghai Police in this last episode or of the Volunteer forces went by without his approval. He has proved as an American to be a strong and capable leader of the community, and the British and all other nationals swear by him, and I believe we should assume our share of the responsibility and allow nobody to believe that this was a case where another nation did all the wrong and we were not concerned.

DR. PAUL MONROE: As an educator, I think I shall have to correct one statement made by Mr. Keegan. Evidently his student days are far behind him. He does not recognize how little it takes to make a student in this country. All you need is a rah-rah cap instead of the long coat.

FOREIGN TROOPS AND WARSHIPS IN CHINA¹

Treaty Provisions Regarding Ships of War in Chinese Waters.

Ever since 1858 the Treaty Powers have claimed the right to send warships to China's inland ports, although the treaty basis for this claim is slight. The claim is generally based upon Article LII of the Sino-British Treaty of 1858, which reads as follows:

British ships of war, coming for no hostile purpose, or being engaged in the pursuit of pirates, shall be at liberty to visit all ports within the dominions of the Emperor of China, and shall receive every facility for the purchase of provisions, procuring water, and, if the occasion require, for the making of repairs. The commanders of such ships shall hold intercourse with the Chinese authorities on terms of equality and courtesy.

The same rights were granted by China to Austria-Hungary in Article XXXIV of the Treaty of September 2, 1869, with the additional provision that the warships in question should not be liable to any duties of any kind. Belgium was granted the same rights by Article XLI of the Treaty of November 2, 1865.

¹A post-Conference study, made at the request of the Conference, and prepared by the Foreign Policy Association.

By Article 5 of the Treaty of October 24, 1844, France was given the right to station a warship in each of the five ports of Canton, Amoy, Foochow, Ningpo, and Shanghai. Article 30 of the same treaty provides that all French warships cruising for the protection of commerce are to be received and treated in a friendly manner in all parts of China. Furthermore, Article 29 of the Treaty of June 27, 1858, gives France the right to station warships in the principal ports of the Chinese Empire when it is judged necessary.

In all these cases, and in the case of treaties with several other nations as well, the rights granted are unilateral. That is, China is not granted the right to have her warships visit all the ports of the other contracting party. Various other nations, however, Brazil, for instance, concluded treaties with China in which certain rights were granted to the warships of both countries.

As regards the United States, Article 9 of the Treaty of June 18, 1858, with China provides:

Whenever national vessels of the United States of America, in cruising along the coast and among the ports opened for trade for the protection of the commerce of their country or for the advancement of science, shall arrive at or near any of the ports of China, commanders of said ships and the superior local authorities of Government shall, if it be necessary, hold intercourse on terms of equality and courtesy, in token of the friendly relations of their respective nations; and the said vessels shall enjoy all suitable facilities on the part of the Chinese Government in procuring provisions or other supplies and making necessary repairs. . . .

American Interpretation of Treaty Provisions.

In 1903 the American gunboat *Villalobos* was sent to visit certain places on the upper Yangtze which were not treaty ports, at a time when there was no riot or disturbance actually going on, and the local Chinese authorities protested. Apparently the Chinese authorities had not protested at the previous presence of American gunboats during actual outbreaks. In reply to the Chinese protest, Rear-Admiral Evans, commander of the American fleet in Far Eastern waters, contended that American gunboats had the right to visit all places where Americans resided and had property or other interests, not only in case of riots or other disturbances, but to investigate conditions and see what measures of protection could be taken in case there should be disturbances. He based this right, not upon the American treaty quoted above, but upon Article 52 of the British Treaty of 1858. Rear-Admiral Evans pointed out in this connection, that China was bound by treaty to accord most-favored-nation treatment to the United States.

As regards the interpretation of Article 52 of the British treaty to permit foreign gunboats to visit inland ports of China, W. W. Willoughby, in his book "Foreign Rights and Interests in China," p. 166, has the following comment:

Some differences of opinion have arisen between the Chinese authorities and the Treaty Powers with regard to the right of the warships of the latter to visit inland ports in China. This right has been insisted upon by the Powers, but in order to sustain their contention they have been obliged to give very liberal interpretations to the single treaty stipulation to which they

have been able to refer. This stipulation is found in Article LII of the Sino-British Treaty of 1858. . . .

It appears from the official correspondence upon the *Villalobos* incident, found in "United States Foreign Relations," 1903, pp. 85-90, that the American minister at Peking did not share Rear-Admiral Evans' view in regard to the rights of American gunboats in China. The American Department of State, however, upheld the Admiral in the following terms:

The Department is inclined to the opinion that Rear-Admiral Evans is right in his contention that our gunboats may visit the inland ports of China, including those which are not treaty ports. Even if this right were not granted us by treaty, Rear-Admiral Evans is unquestionably right in using it when like ships of other Powers are constantly doing so. . . . This Department thinks, however, that Article LII of the British Treaty of 1858 with China, which is reproduced in Article XXXIV of the Austro-Hungarian Treaty of 1869, gives full authority for his course.

Cooperation Between the Powers.

If in China a situation arises which is of general concern and possible danger to all foreign residents, the representatives of the respective foreign offices assemble for conference. The general principles to be followed are decided upon, and if the assistance of the naval forces of the various Powers is desired, their respective commanders are called in to participate in the deliberations. The broad lines of action contemplated are laid down, and the senior naval officer afloat, irrespective of his nationality, is placed in command of the joint naval forces. The decisions reached are reported to the Governments concerned, and are subject to check by them.

American Naval Forces in China During Recent Disturbances.

On July 1, 1925, during the disturbances which followed upon the "May 30th Incident" in Shanghai, there was a total of forty-five American war-ships in Chinese waters. This fleet consisted of the following: one cruiser, twenty-two destroyers, eight gunboats, six submarines, four mine-sweepers, one transport, one fuel ship, one submarine tender, one destroyer tender. The ships were located as follows: twenty-three at Shanghai and Yangtze ports, six in south China ports and sixteen in north China ports. Under ordinary circumstances the bulk of the Asiatic fleet holds summer manœuvres in the vicinity of Chefoo.

American Naval Forces in China October 23, 1925.

On October 23, 1925, the American naval forces in Chinese waters were composed of the following: one cruiser, eight gunboats, three destroyers, two mine-sweepers, one transport.

The total number of vessels in the American Navy's Asiatic fleet is fifty-five; on July 1, forty-five of these were in Chinese waters, whereas on October 23, fifteen were in Chinese waters.

Treaty Provisions Regarding Foreign Troops.

After the Boxer Rebellion, China was forced to grant certain rights

to the Powers as a condition of the reestablishment of friendly relations. The joint note of the Powers, dated December 22, 1900, embodying the conditions for the reestablishment of normal relations, included the following:

7. Right for each Power to maintain a permanent guard for its Legation and to put the Legation quarter in a defensible condition. Chinese shall not have the right to reside in this quarter. . . . 9. Right of military occupation of certain points, to be determined by an understanding between the Powers, for keeping open communication between the capital and the sea.

The Chinese note and protocol of January 16, 1901, accepted all the conditions of the Powers "in their entirety."

The above conditions were embodied in the final protocol of September 7, 1901, as follows:

Article 7. The Chinese Government has agreed that the quarter occupied by the legations shall be considered as one specially reserved for their use and placed under their exclusive control, in which Chinese shall not have the right to reside and which may be made defensible.

The limits of this quarter have been fixed as follows on the annexed plan. . . .

In the protocol annexed to the letter of the 16th of January, 1901, China recognizes the right of each Power to maintain a permanent guard in the said quarter for the defense of its legation.

Article 9. The Chinese Government has conceded the right to the Powers in the protocol annexed to the letter of the 16th of January, 1901 to occupy certain points, to be determined by an agreement between them, for the maintenance of open communication between the capital and the sea. The points occupied by the Powers are: Huang-tsun, Lang-fang, Yang-tsun, Tientsin, Chun-liang Ch'eng, Tang-ku, Lu-tai, Tang-shan, Lan-chou, Chang-li, Ch'in-wang tao, Shan-hai-kuan.

It is in virtue of these provisions that the Treaty Powers maintain troops in the legation quarter in Peking, and at various other points in North China.

At the time of the Boxer Rebellion, France, Great Britain, Germany, Italy, and Japan had formed a provisional government at Tientsin. At the time when this provisional government was dissolved and the administration returned to the Chinese authorities, the five Powers, in a note dated July 15, 1902, stipulated certain conditions. The note pointed out that the Powers had the right to station troops in Tientsin under Article 9 of the final protocol of September 7, 1901, and proposed that the Chinese authorities should not station nor march troops within twenty Chinese li (6 $\frac{2}{3}$ English miles) of the city of Tientsin or of the troops stationed there. It proposed that the jurisdiction of the commanders of the posts along the line of communication from Peking to the sea should continue to extend two miles on either side of the railroad. The note further stipulated the right of the foreign troops to occupy summer quarters when necessary.

All the conditions of this note were accepted by the Chinese note of July 18, 1902, with the reservation that the military control to extend for two miles on either side of the railway "would only refer to offenses against the railroad, the telegraph lines, or against the allies or their property."

During the revolutionary troubles of 1911-1912, the Treaty Powers decided upon military control of the Peking-Moukden railway as far as Shanhaikuan. On January 26, 1912, the diplomatic body at Peking adopted resolutions to this effect. Different sections of the railway were allocated to France, Great Britain, Italy, Germany, and the United States; each Power was responsible for the guarding of its section. During the Great War the French section was turned over to Japan and the German section to the United States. According to Willoughby, in "Foreign Rights and Interests in China," the occupation of the railway still continued in 1920.

Foreign Troops in China Without Treaty Sanction.

At the Washington Conference, China raised the question of foreign troops on the ground that the stationing of foreign troops on China's soil without her expressed consent constituted a violation of China's sovereignty and territorial administrative integrity. The Chinese delegation submitted the following proposal for the approval of the Conference:

Each of the Powers attending this conference hereinafter mentioned, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands, and Portugal, severally declare that, without the consent of the Government of China, expressly and specifically given in each case, it will not station troops or railway guards or establish and maintain police boxes, or erect or operate electrical communication installations, upon the soil of China; and that if there now exist upon the soil of China such troops or railway guards or police boxes or electrical installations without China's express consent, they will be at once withdrawn.

Instead of the Chinese proposal, the Washington Conference adopted the following resolutions:

WHEREAS, the Powers have from time to time stationed armed forces, including police and railway guards, in China to protect the lives and property of foreigners lawfully in China;

And WHEREAS, it appears that certain of these armed forces are maintained in China without the authority of any treaty or agreement;

And WHEREAS, the Powers have declared their intention to withdraw their forces now on duty in China without the authority of any treaty or agreement, whenever China shall assure the protection of the lives and property of foreigners in China;

And WHEREAS, China has declared her intention and capacity to assure the protection of the lives and property of foreigners in China;

Now, to the end that there may be clear understanding of the conditions upon which in each case the practical execution of those intentions must depend;

It is *Resolved*, That the Diplomatic Representatives in Peking of the Powers now in Conference at Washington, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, The Netherlands, and Portugal, will be instructed by their respective Governments, whenever China shall so request, to associate themselves with three representatives of the Chinese Government to conduct collectively a full and impartial inquiry into the issues raised by the foregoing declarations of intention made by the Powers and by China and shall thereafter prepare a full and comprehensive report setting out without reservation their findings of fact and their opinion with regard to the matter hereby referred for inquiry, and

shall furnish a copy of their report to each of the nine Governments concerned which shall severally make public the report with such comment as each may deem appropriate. The representatives of any of the Powers may make or join in minority reports stating their differences, if any, from the majority report.

That each of the Powers above named shall be deemed free to accept or reject all or any of the findings of fact or opinions expressed in the report but that in no case shall any of the said Powers make its acceptance of all or any of the findings of fact or opinions either directly or indirectly dependent on the granting by China of any special concession, favor, benefit or immunity, whether political or economic.

During the discussions which preceded the adoption of the resolution, China submitted, upon request, a list of foreign troops stationed in China without her consent. At the same time the Chinese delegation expressly disclaimed any intention of bringing up at that time the question of foreign troops stationed in China with treaty sanction.

All the troops mentioned in the Chinese list were Japanese. They were stationed in Shantung, in Hankow, in Manchuria, along the South Manchuria Railway, and along the Chinese Eastern Railway. The troops listed were exclusive of the troops stationed in North China under the final protocol of September 7, 1901.

In reply, the Japanese delegation stated:

(1) That the troops guarding the Shantung Railway would be withdrawn as soon as China was ready to take charge of the protection of the railway;

(2) That Japan's right to maintain troops along the South Manchuria Railway was recognized by China under the Treaty of Peking of 1905, and that the large number of bandits made the presence of the troops imperative;

(3) That the Japanese troops in Hankow had been dispatched there, together with the troops of various other Powers, to protect foreigners at the time of the disturbances of 1911, and that they will be withdrawn when China will assume responsibility for the protection of foreigners;

(4) That the Japanese troops along the Chinese Eastern Railway were stationed there in 1919 in connection with an inter-allied agreement.

It was pointed out by the Chinese delegation:

(1) That China had repeatedly offered to take charge of the Shantung Railway;

(2) That the Treaty of Peking of 1905 provided for the simultaneous withdrawal of Japanese and Russian railway guards from Manchuria as soon as tranquillity had been restored there, and China had become capable of protecting foreigners; that whereas Russia had withdrawn her troops, Japan still maintained hers on the ground of the alleged prevalence of bandits, and would not give China the opportunity of showing whether she could protect foreigners;

(3) That all the other Powers except Japan had withdrawn their troops from Hankow, and that China was willing to undertake the protection of foreigners;

(4) That the inter-allied agreement of 1919 provided for international or Russian control of the Trans-Siberian Railway; that the other allied troops had been withdrawn when the objects of the agreement had been at-

tained, whereas the Japanese troops still remained "without any apparent vestige of authority."

According to observers recently returned from China, there are still strong contingents of Japanese troops along the South Manchuria Railway.

QUESTIONS ANSWERED

DR. P. W. KUO

Is the movement for customs autonomy and for the abolition of extraterritoriality confined to students and the intelligentsia?

The present movement for the restoration of the tariff autonomy and the abolition of extraterritoriality is quite general. It is not confined to the students and educators. The merchants, the officials, the labor leaders, and the more intelligent laborers as well as the educated section of the farmers, and the intelligent section of the army and navy are included. So far as I know, during the last decade there has been no movement which has received such universal support of the people in China. There have been differences of opinion in political matters. There may have been differences of opinion on other questions of the day, but on this question I have not been able to find any diversity of opinion, in the press, in personal conversations with men, and in other contacts.

What per cent of the farmers and coolies of the interior are deeply interested and well informed about questions of treaty revision?

Most of you know the farming group in China represents a very high percentage of the Chinese population, and it is in this section of the Chinese where the problem of illiteracy largely rests. Such being the case, I would say that as far as the farming population is concerned, a large percentage of them do not fully appreciate these fundamental issues that are at stake. The coolies, found in the larger cities, come into touch with other classes of people—the laborers, the workmen, and merchants—and are, comparatively speaking, better informed on things going on in China and are likely to be interested.

If demands are not granted, will it lead to violence and to the closing of American schools and of the work of the missionaries?

That is rather a delicate question. I am inclined to think that no violence will be resorted to; certainly no harm will be done to mission schools and other educational institutions, because our people fully realize their valuable contribution to China.

Will this lead to violent anti-foreign movements and to attacks on life and property?

I do not believe so.

What per cent of the Chinese masses have been reached by the "1,000 character movement"?

Many of you know this new popular education movement is still in its

infancy. It was started only two years ago, but within these two years, no less than two million of the illiterates have been taught to read and write, and in accordance with the opinion of the leaders of the movement, by using the methods that have been tried out effectively, by utilizing all the existing agencies, by calling upon voluntary help, and in accordance with the present rate of progress, illiteracy could be wiped out within the present generation.

What per cent of the masses can read a newspaper intelligently?

It is very difficult to get exact statistics on the subject. The general answer would be, in the country districts among the farmers the per cent of people who can read a newspaper intelligently is very small. On the other hand, the per cent of people who can do this in the cities is fairly high. Some years ago an investigation was made in Peking to find out the percentage of the rickshaw coolies who were literate, and the result showed the amazing fact that a large per cent of them could read and write.

To what extent has Bolshevik propaganda reached the masses and affected them?

In the interpretation which I have used regarding the masses, I would say that taking the country as a whole masses have been practically untouched and unaffected.

Who are the people who have been affected by such ideas?

A few politicians, a small section of the students, and a very small section of laborers.

What steps are being taken to abolish the tuchuns?

Theoretically, the tuchuns have been abolished. The military governors are now known as tupans and other names. The agitation for the abolition of the military governorship has been going on for many years. The press, the people, as well as the tuchuns themselves, say the system must go, and theoretically it has been abolished. However, the problems which have been created by the existence of the tuchuns have not been solved. What are we going to do with the soldiers under them? To what extent should the present army be reduced, and how? These questions are still being faced by the Military Rehabilitation Commission created by the Government. It is generally agreed that the present army should be reduced and steps should be taken to take care of the soldiers to be disbanded. A number of ways have been suggested and these proposals are being carried out. One is the introduction of vocational education in the army. It is felt that unless we give the soldiers some training by which they can earn their living after leaving the camps, they will be helpless and will perhaps become bandits. The second is to establish factories and industrial plants by which we may train these soldiers to become workmen. The third, which is a more popular and practical one, is to use the soldiers for colonization work. Take for example, General Feng Yu-hsiang. He has started colonization work in the northwestern provinces, and is using his soldiers for the development of this important work.

What steps are being taken to establish a constitutional government and to elect a parliament?

Many of you know that since the reorganization of the present Government, a conference has been held in Peking known as the Reorganization Conference. This conference, among other things, decided to call a people's convention which will revise the constitution of the Republic. In accordance with that revised constitution, a formal constitutional government will be created. This convention was to be held some months ago, but it has been delayed because of the Shanghai incident and by other questions which have arisen.

What steps are being taken to combat corruption and "squeeze"?

This movement is also gaining headway. I need to give you only one incident to show what is being done. A few months ago there was a change in the administration of the province from which I came—the Kiangsu Province. With the change of administration at Peking, the civil governor was removed from office and a new man was appointed to replace him. The people of that province said, "We must organize a commission of experts to make an investigation of the accounts, and to see whether there was any corruption under his administration." The last I have heard was that they have finished investigating all the accounts and are now ready to make their final findings. The men appointed to do this work are men who are generally recognized as being honest and upright. This one instance is an indication of the change that has taken place in this direction.

What steps are being taken to train officials to conduct a modern civil service and judiciary?

Since the adoption of the modern educational system, we have established, in addition to the national universities, provincial colleges of law or of political science. Some of these colleges have been turned into universities in which training is given to prospective lawyers and judges. In Peking there is a special institute for the training of lawyers and judges which admits only graduates of universities, from China or from abroad. Then, too, there is a customs college in Peking which specially trains men for the customs service.

What steps are being taken to stop the embezzlement by officials of the wine and tobacco tax and of other taxes not under foreign control?

I do not know how much embezzlement of this tax there is by officials, but I know this: that in some of the provinces such taxes are being set aside for particular purposes which the official in charge cannot touch. Take my own province again. The tax on tobacco and cigarettes has been set aside for the maintenance of provincial schools. There has been created a special commission represented by heads of schools and colleges, and the educational institutions concerned have the right to examine the accounts whenever they wish so to do. In that way there is no possibility of misuse of the funds so designated.

Would it be possible to abolish likin effectively, and to enforce labor and humanitarian laws all over China?

The difficulty in abolishing likin, as most of you know, lies in the fact that likin is collected in the provinces and goes to the provincial treasuries. In this connection I wish to correct some misunderstanding that has been created to the effect that the likin goes to the tuchuns. As a matter of fact, in most of the provinces, we have a provincial treasurer who is under the jurisdiction of the civil governor, and the money collected from the likin station goes to this provincial treasurer under the civil government. It is true, however, in certain provinces, that the military governor also looks after the civil affairs. In such instances the treasurer would be under the military governor.

If we abolish likin, the provinces will be deprived of the funds necessary for the maintenance of the provincial governments. If we can find a way by which the funds needed by the provinces could be insured, then the objection of the provinces to the removal of likin would be withdrawn. Two ways, at least, have been suggested. One is that the central Government, when able to secure funds through customs or other means, should insure the provinces the funds that are needed. The other is that the central Government should contract a loan to be deposited in reliable banks, and any province which consents to abolish likin should thereupon get needed funds from the banks especially designated for that purpose.

What steps are being taken to enforce labor and humanitarian laws throughout China?

As far as I know, the new labor laws that have been promulgated by the Ministry of Agriculture and Commerce are being applied throughout China, with the exception of the treaty ports.

Please state specifically what is planned in regard to the foreign control of customs and of the Salt Gabelle. If foreign officials were eliminated, would not there be inefficiency and embezzlement?

It is my understanding that the restoration of the tariff autonomy does not necessarily involve a change of the customs administration. My understanding is based upon the fact that our delegates at the Washington Conference made a voluntary declaration to the effect that it is not the intention of the Chinese Government to effect any change which might disturb the present administration of the Chinese Maritime Customs.

Are the four modern legal codes now in effect in China? Are they as well adapted to Chinese conditions as existing laws? Would not their immediate application be resisted by the Chinese masses?

As far as I know, the modern codes have been promulgated and are now in effect in China, and because of the fact that the codification of those laws was based partly upon the Chinese traditions and judicial proceedings, and partly upon the modern systems of the law, they are adaptable to the present-day conditions in China. I do not for a moment think that the Chinese masses would offer resistance to such a law. In fact, the Chinese people welcome these new laws that have been adopted.

Is it possible to have in China a democracy based on suffrage, limited or universal?

According to the Provisional Constitution the suffrage of China is limited and is based upon educational and economic qualifications. It is the intention of the people to extend this suffrage gradually as education progresses.

Is foreign banking or commercial capital desired by the Chinese on terms which the foreign capitalists think necessary to protect their interests? Would the Chinese prefer to go indefinitely without this capital, involving the failure to build roads and railroads, rather than to accept these terms?

Concerning the question of foreign loans, as far as I can judge, the objection raised against the securing of foreign loans largely rests upon the fact that the International Consortium that has been created is not a purely economic or financial undertaking. Some of the nations participating are certainly not in a position to make loans to China. They are not even able to pay their own debts. The new Consortium deprives China of free bargaining and leads to political complications, and this accounts for the fact that the Chinese Government as well as the Chinese people do not wish to have anything to do with such an undertaking. If offers of loans purely on the business basis were offered to China, I think the Chinese people and Government would be very glad to consider them.

America and the Nationalist Fervor in China

THE ELEMENT OF URGENCY IN AMERICAN RELATIONS WITH CHINA¹

The HON. CHARLES R. CRANE, formerly United States Minister to China

The great thing that Confucius did for the world was to create the type of the princely scholar, and a princely scholar was President Hsu. His name is on the Confucian tablet. One name goes on that tablet every year. I very much enjoyed my visits with him while I was in China.

We had been exchanging stories. I had heard many stories from the western part of Asia, and he seemed to like them. He said, "Before you go away," as I was about to leave, "I want to tell you a Chinese story."

You know, when you go along the streets of Peking, as in many other Asiatic towns, you just go along a walk with openings here and there into the various properties. One night, a Chinese gentleman was coming home late at night. It seems that the Chinese gentlemen do that now and then. When he got near his property, he found a robber digging down underneath the wall. He watched the robber for a time in a sympathetic kind of a way, and, feeling that the robber was losing his time, he said to the robber, "There is no use digging in there," and the robber asked why not.

He said, "That leads to the kang." The kang is the great stove on which the families sleep in the winter time.

The robber was perplexed, but after a while he got out of his hole—he was a reasonable robber—and moved down to another part and began to dig in there.

The Chinese gentleman continued to watch him, and after a certain length of time said, "There is no use of your digging in there," and the robber asked why not.

He said, "Well, that leads to the well."

Said the robber, "How do you know so much about this house?"

"Oh!" he said, "it is my house."

Well, that is what Europe has been doing on a larger scale for a very great many years.

And the people inside the wall are beginning to take notice. They have been very considerate and kind for a long time, but they are beginning to feel as though they had nearly enough of this digging underneath the wall.

The American people have always had the greatest possible sympathy for the Chinese people. The greatest and most important relationship between

¹Mr. Crane presided at the opening and the closing sessions of the Conference on American Relations with China. He also shared in the discussions at other times. Various of his utterances at the Conference are brought together here as indicative of his emphasis on avoidance of delay as an important element to be considered in American relations with China.—EDITOR.

America and China has not been the political relationship; it has been, you might almost call it, the social relationship, the relationship between the Chinese people and the American people. That has been the important thing for a hundred years or more. The very best of American men and women have gone out to China and given all of their hearts and all of their souls, and all of their powers to serving the Chinese people. Without any exception, they have all become champions of the cause of China, most important champions and interpreters of China and of the people of China to the people of the United States.

And now for many years the very finest of the young Chinese men and women have been coming to America for purposes of education and they have been cordially received and watched over, and they have gone back home to interpret America to their own people. That is the wonderful relationship between the two countries.

We feel that the people of China are very unhappy. They are not at all satisfied with the existing state of affairs and we are concerned to know in just what their unhappiness consists and in just what way we can best go about to serve them.

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It seems to me to be a wonderfully touching thing that this oldest nation, the greatest nation in size, and the wisest nation of the world, should put her trust so entirely in our hands. It is a wonderful responsibility. There is no doubt that the situation in China is slipping, and slipping rapidly. It has slipped a great deal since the Washington Conference and after we have made up our minds what to do, we are taking great responsibility in waiting for the other Powers to act with us. It is very valuable and very important that they should act with us, that the whole world situation with regard to China should be cleared up at once. But that isn't the main thing. The situation is getting more and more out of hand. You can see that it has taken France four years to do a thing that she ought to have done in three months. We may not entirely blame France. She has had a great deal to do in Africa and a great deal to do in the Ruhr and in Syria. These were vital things with her.

But this is essentially our responsibility on the other side of the Pacific. There is nothing more vital to us than that situation and we ought not to delay our action.

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It is very difficult for Europeans to understand the nature, the genius of American life. All over Asia they know about the American work in the Philippines, and it is very difficult for other people in the world to understand that some American Napoleon hasn't created that work in the Philippines. The work in the Philippines is an expression of the genius of American life. All kinds of people from all over the United States have gone out into the Philippines and done this wonderful work. There hasn't been any Napoleon there; and there hasn't been any Napoleon in our work with China.

The only thing that I am concerned about, and I am seriously concerned

about it, is the matter of time. I saw the Russian Revolution. I was the first six months in Russia at the time of the Revolution. I was there during the highest period of the Revolution, in the summer of 1917, at the time of Miliukov and Kerensky, when Russia touched the highest point in her history, the purest idealism. There wasn't a crime committed in Petrograd for two or three months, there were no police and no soldiers. And I saw that situation slide right off into all the horrors of Bolshevism in a few months, although the revolution had been conducted by the best possible men with the best possible aspirations.

In 1919, I was on a mission in the Near East, where the Moslem world, with a great longing to be reconciled to the Christian world, opened to our mission its mind and heart as never before, because it was an American mission. You could have done anything then with the Moslem world. But the opportunity was neglected and it has passed. Now the relationship of the Moslem world to the Christian world is one of great strain, and it will take many years to get back to anything like the position we had in 1919 when it might have been held.

So I feel with this situation in China. I feel very strongly about it, that it is slipping, slipping, that it may not have passed its highest point, but we have wasted three or four years, and many of the things that we propose for China to-day, that we are talking about here, ought to have been done at the time of the Peace Conference. That was the time to do it. Mr. Wilson struggled and struggled to pull the rest of the world behind him to get all these things settled. He had no success. Secretary Hughes had a good deal more success, but he didn't get the thing cleared up. There are many things, many important things, that we have dragged along for three or four years, three or four very precious years. It is very possible that that situation, too, will get out of hand, that with the best of good will on both sides of the Pacific, there is great danger that a century of the finest and best work between America and China is liable to be lost. Time is of the very essence of our interest. I wish you to bear that in mind, and continue your activities but realize the preciousness of time.

We might very well encourage the Government to proceed as rapidly as possible with the fine men that the Government has to negotiate with. We have the right to have the very highest hopes, and should not anticipate what the findings of these groups will be, but just leave it to them simply with the understanding that we hope the highest interest of China and of the rest of the world will be served. As to the method of arriving at this conclusion, we should leave it entirely with the men who are carrying on these important negotiations.

We have many things we can give China without disturbing the essential processes of her life or her genius. Our industrial people, when they go there and start in, should carry with them (I have no doubt that they will) the highest standards, the standards of 1925 in industrial life and not those

of 1875. I am an industrialist myself, and was, and I know of the enormous changes that have taken place in the industrial world in the last fifty years.

Our doctors can do much to soften the life of the people in China, to diminish the suffering and increase the happiness of living. There are many great big problems in China that are not at all experimental, the matter of malaria and hookworm, for example, in the Yangtze Valley, and trachoma—those things are all perfectly well understood. There isn't anything about them that Chinese genius cannot grasp within a short time. Our medical people can do that.

Our engineers can help to increase their productivity. The Chinese is the hardest working man in the world, and the reward of his labor is very low. It is perfectly easy to increase the amount of production and also the reward. Our engineers can also do much to check the famines and the floods, to tame the Yellow River, to improve the communications.

Our missionaries can do the most of all in brightening the spirit of the Chinese people.

America, with her great genius for cooperation, the cooperation of the men who work with their heads and the men who work with their hands and the men who work with their money, has arrived at the highest state of prosperity that any country has ever had in the world. China has the genius of longevity, and we shall have to exchange experiences, so that both nations may have long life and prosperity.

DISCUSSION OF THE ELEMENT OF URGENCY

DR. ROYAL MEEKER: I heard a story told at the Williamstown Conference which seems appropriate. A traveler was traveling in Ireland. He wanted to reach a rather obscure place and he got lost, so he stopped to inquire his way. He inquired of an Irish peasant how he could get to this obscure Irish village. The Irish peasant stopped, took his pipe from his mouth, scratched his head with all the deliberateness with which an Irish peasant can take his pipe from his mouth and scratch his head, and finally after deep thought gave utterance to this sapient observation: "Well, if I were going to Ballyross I would not start from this place." I sympathize with this view. In proceeding to a solution of China's problems I wish we could start from some place other than our present position. But it is the only place we have from which to start. We are confronted by certain conditions. What do we propose to do about it? Is it worth while discussing who is to blame or who is to be credited with our being at this particular point? Here we are, let's go!

I think there isn't a dissenting voice on this particular question, the desirability that foreign Powers get out of China just as quickly as possible without injury, first, to the Chinese, and second, to the nationals of the Governments now in China. It isn't a question of penetrating China. China has already been penetrated. The interests are there. What is the best method of dealing with them?

I think the best method of dealing with the particular questions of China's relations toward us is to give China a chance to govern herself; to do away with the interference of foreign Governments in administering the customs duties—not merely the customs duties, but other financial matters such as the Salt Gabelle, for instance; and to do away with extraterritoriality. I think the best thing to do is to help in formulating a public opinion in our country which will support our Government in its contention to secure justice in China, and justice to China with due consideration for justice to foreigners who are in China.

Too rapid action, too extreme action, defeats its own ends in almost every instance. If extraterritoriality were abolished too rapidly, it would probably defeat the purposes of those who wish its abolition. It would probably result in disorder which would bring back the gunboats and the military power, and establish them so it would be even more difficult to get them out.

The only way we can deal with this question would seem to be through the methods of conference, agreement, and adjustment, and I think that the abolition of extraterritoriality, the removal of interference by foreign Powers in the administration of customs and other financial matters in China, can be done very quickly and with very little friction and very little cost.

I was trained as an economist. Economists are supposed to be interested in securing the maximum result with the minimum of effort. That is all I am interested in. If, in view of the knowledge and wisdom in the possession of those who know China thoroughly, it seems the wise thing to abolish extraterritoriality at once, then let it be abolished at once. I think, however, we need to see if we are of one mind on that point.

MR. ROBERT MORSS LOVETT: If anything is to be accomplished for the benefit of China, somebody has to pay for it. It may result in temporary injury to China. It may undoubtedly result in discomfort to the representatives of the foreign Powers in China. It may result in our giving up something, but that, it seems to me, is the point that we must face. I wish Mr. Meeker had said simply, "The Powers get out of China as quickly as possible, let the results be what they may."

MR. STANLEY HIGH: America has a margin of good will in China, but there is nothing more apparent than the fact that that margin of good will is dwindling every day. It may dwindle down to the disappearing point. American business men and American missionaries ought to have some sort of prophetic insight into the situation. Otherwise American missionaries will be treated in exactly the same way as the British and Japanese are treated, and they will come to see that immediate conciliation, after all, is the policy that is fundamentally conservative.

The principle of delay is the worst sort of radicalism. It strengthens the Soviets, and in the end will cause us to lose money and to withdraw our special interests from China itself.

MR. NATHANIEL PEPPER: Is it a question of just how much we shall give the Chinese and how much we think it is good for them that they shall have? Is not the question that practically confronts us, the question that

makes this Conference exist to-day rather than six months ago, the fact that the Chinese have stood up and yelled insistently and are yelling more insistently every day, and that the practical question that confronts you is, will you give them what they want or will you fight them?

Some may say that we shall not be idealistic, we shall not be noble, and there will be those of you who say that we shall. Then there will be those who will say, "But we must remember our investments and the widows and orphans who have bought them," and there will be others who will say, "We advise the Chinese for their own good that they shall not be precipitate," and all are practical people. But the practical people are ignoring the most practical consideration, namely, that the Chinese have started this because they went on the aggressive, and they are becoming more aggressive every day. They are not going to ask you, "Do you want to be virtuous to us?" They are going to say, "We take whether you like it or not, and if you don't like it, come over and stop us."

Why didn't you hold this Conference six months ago or a year ago or two years ago? Because the Chinese weren't making a row. About four weeks after they began killing white men, you called this Conference, and Mr. Coolidge issued a note, and the French ratified the treaty, and then we decided to be virtuous, altruistic, and for the sake of China carried out the treaty that we signed four years ago in another atmosphere of virtue.

You know and I know that those treaties would not have been ratified, that no note would have been issued by Washington, and that this Conference would not now be held if the Chinese hadn't struck, hadn't started out in a riot, and hadn't killed any white men, and those of you who are perhaps even more intimate in your relations with the Chinese just now than I am know that there is a great, serious, practical (again to use that adjective) danger that they are going to kill a great many more very soon. If one year ago you had issued your notes and called this Conference and given them the this much [indicating with his hands close together] that was promised them in the 1921 treaty, you wouldn't have been holding this Conference. If now, without regard to all that has been said to-day about whether it is for the good of China or not or for the good of our widows and orphans or not, without regard to that, you don't give them the this much [indicating with hands wider apart] that they ask now, rather than the that much [indicating again as at first] that they asked a few months ago, they are going to ask that much more [spreading his arms wide]. Whereas they had to kill a very few white men to make you hold this Conference and make you discuss what to do about them, they may come to the perfectly natural connection of ideas that if they kill fifty or five hundred, you will do more.

What I mean is that this question has resolved itself not only in this Conference but in all our formal discussions as to how virtuous shall we be toward the Chinese, how much shall we give to the Chinese. You have missionaries and other people of good will who say, let us give them everything, or almost everything. Then you have others who say, let us give them what we can after they have set their house in order.

The statement that I should like to make is that it is no longer for you to decide at all, and that whether their house is in order is of exceeding importance for them but will have to be left to them for decision. The question that confronts you now is that you have 400,000,000 people who aren't going to be put off with sweet phrases or promises or anything else.

If this is a time for practicality, I should like to submit as the most practical question, how much can you give these people to keep them satisfied enough so they don't take every white man from one end of China to another and ride him out to the China Sea at the end of a bayonet? That is to say, how much do you have to give to these people to keep them from precipitating a situation which will make you go to war?

I don't see any other practical question. Whether it is for their good or not that you shall give up extraterritoriality is beside the point. For once in the relations of the white man with China perhaps we shall have to deny ourselves the pleasure of doing something for China's good; for once we shall have to give them what they want.

DR. PAUL MONROE: What the Chinese mean by immediate is the avoidance of the interminable delay to which they are accustomed. But I would like to point out that immediacy is far more important to the foreign nations than to China.

In my judgment, practically all of our approaches to the Chinese people, whether political, business, educational, or missionary, have been so tardy and so without consideration of what the Chinese may be thinking that we ourselves have lost much of the benefit of the acts which we have done probably from good motives.

The Japanese, for instance, have done more than they promised in Shantung—at least have done all that they promised—but they are still among the most disliked of foreigners in China because they were so tardy about it.

If the foreign nations had granted the five per cent increase of customs duties provided in the Washington Conference, the Chinese would have been satisfied. None of them will be satisfied with that proposal at the coming conference. The Chinese are fully, unanimously, of the opinion, that they should have tariff autonomy. Whatever is done now will be forced from the foreign nations. Therefore, these nations will get little or no credit for it and will deserve none. Practically no act that the Western Powers have done for China, if the Boxer indemnity remission be excepted, has been done at the psychological moment.

The missionary bodies are waking up to the fact that they must give far more consideration to the Chinese Church, to Chinese interests, to Chinese teachers, to Chinese administration. But they are doing it so late that in many instances it is practically a salvaging process.

Consequently, however short and brief, the immediacy we are discussing is more important to the welfare and the interests of the Western nations than to those of China.

DR. OSWALD G. VILLARD: I seem to be a minority of one in that I hate the Chinese. I was not aware of that fact until I came here. As I come to

analyze this change of my feeling, I find it is due to two things. First, I find that they have put us morally in the wrong; and, second, I find that they have impressed upon me a very great feeling of inferiority. Out of those two emotions I believe arise many of the race prejudices of the world.

We are put in the wrong morally because we have no business whatever to be in China under present conditions and there is only one way in which we can get ourselves morally right before our own consciences and before the world and that is by changing the conditions.

There hasn't been a single moral movement or a reform movement in the history of America or in that of any other country that sooner or later has not come to the very impasse in which we find ourselves. We have got to take counsel as to whether we shall stand for right immediately or whether we shall listen to the counsel of compromise and delay. What made the winning of the abolition of slavery so difficult in America was the good liberals and the good church people who believed theoretically in the freedom of the slaves, but who, some how or other, couldn't begin to say the word "now." They always had some reason why it was not the right moment just then. It might upset trade between the North and the South; it might disturb the family relations of the South, and even Abraham Lincoln could not utter the word, "now," until military necessity compelled him to, and there is a warning in that fact for us who are considering this Chinese question. Abraham Lincoln, I repeat, would not bring himself to say "now" until military necessity compelled him to. We may be facing that very situation before very long.

Now, I believe as our statesmen did when it came to the question of the resumption of specie payments, that the time to resume is to resume. The time to do the right thing and the moral thing is now—here and now, and it certainly will be a very great mistake and misfortune if we cannot come to a decision here, if this body of thinking men and women cannot do something to put the conscience of America on record in this matter.

You have no time to lose. It is only two or three months since I was present at a gathering of forty newspaper men who were addressed privately by one of the men who are probably responsible for formulating the policy of the Government of the United States toward China. He began by admitting the complete and absolute defeat in China of America and the Powers. He said, "We have lost. We have lost because of the Chinese policy of non-resistance. We cannot beat them. It is idle to talk of sending an army to Peking or of bombarding Chinese ports. We cannot accomplish anything by force. Force is played out in China." And yet, a minute or two later, after admitting that we could not go into Peking with an army and make any central government which we might set up do our will in China, he said, "Anyway, we are building six gunboats more for the Yangtze and as far as their shells will reach on both sides of that river, we shall have our way with these Chinese people."

Do you want that sort of thing? Do you believe that program voices the conscience of the American people? If it is, you have plenty of time. Just let the thing go on as it has and the situation will slip away from you and you

won't be able to control it, and you won't be able to ask what is going to happen or what will take place.

In the height of the slavery struggle, some well meaning slaveholder came to Wendell Phillips and said to him, "Mr. Phillips, you don't know what you are doing. Emancipation may be a good thing some time in the future, but if you do it now you will make shambles of the South. If you free the Negroes, no white woman will be able to live in the South and the roads will run with blood. You will have conditions worse than those in Santo Domingo and Haiti when the revolution was on."

Wendell Phillips looked at that man and said, "My friend, I entrench myself upon the principle of human liberty and I leave the working out of the details to Almighty God."

I ask you in this Chinese matter to entrench yourselves upon the principle of human liberty here and now and to take some action so that everybody in this country may know that something worth while came out of this Conference, and to leave the details to the working out of Almighty God.

DR. HENRY W. LUCE: What China really has been doing in the last few months is, in a way, making her "Declaration of Independence." Although a tea-growing and tea-drinking nation, she did not throw any tea into the sea, but some of her methods have been quite as dramatic and as vivid.

The time-limit for prompt action by the Western nations has been reached. We have lost much because, for one reason or another, there has been a delay of three or four years in carrying out the plans of the Washington Conference. We are now faced with the most urgent question as to the way we may catch up on our delays of the last several years.

There is yet another item illustrating the time element. Probably most of us agree that the demands relating to extraterritoriality and tariff should be granted as soon as possible. But how soon will this be possible? The most extreme of our Chinese friends would like to have these two items attended to almost over night; and, on the other hand, some extremely conservative Western nationals do not want even to mention these matters at all, much less have them discussed and acted upon at the present time. Between these extremes, at what time can full justice and autonomy be given to China?

During twenty-eight years of happy intercourse with the Chinese people, I have always found them extremely reasonable—so much so that I have the greatest faith that any sincere expression of the Western nations to "play fair" will be met by a corresponding attitude on the part of the Chinese.

At this stage, not only the decision as to the number of steps in the process, but also the time at which the steps should be taken, offer questions of great importance. All should be accomplished with the minimum of delay.

REV. E. J. LEE: Some weeks ago, I read a communication that purported to come from Dr. W. W. Yen, lately premier of China, in which Doctor Yen said that China was not asking that extraterritoriality be immediately abolished, as China realizes that this could not be done immediately.

I do not wish to saddle Doctor Yen with sentiments which he does not entertain or with remarks that he did not make, but it would certainly seem

to be true that the immediate abolition of extraterritoriality is impracticable. The courts that China is prepared to establish will take time to develop. Think of the time that will be necessary to take over the administration of the International Settlement in Shanghai. Probably several years will be necessary to prepare for taking over the responsibilities which foreigners carry under the extraterritoriality clauses of the treaty.

But to meet the present situation, it would seem that all that is necessary is that a decision be made to abolish extraterritoriality and that a date be set for this to be done, a date giving adequate time for the preparations necessary for taking over these responsibilities.

As a precedent for this, let me remind you that when the agreement was made to abolish extraterritoriality in Japan, a time was set several years in advance, and on the date set these rights were relinquished, but an interval for preparation had been allowed, and such an interval would seem to be absolutely necessary in China.

BISHOP LOGAN H. ROOTS: I am in profound agreement with those who hold that immediacy does not necessarily mean and does not in this case mean that we should take precipitate action on those matters which cannot be adjusted in a hurry, but that immediacy means the immediate laying out of a program which we shall follow—one, two, three, four, five, six, seven—as many steps as you please, but a course of procedure which should be immediately agreed upon and which has for its basis the placing of China on a basis of absolute equality in the family of nations, such internal adjustments as will enable China to take her place among the nations of the earth on an equality with them, and such an expression on the part of the foreign Powers that nobody in China can doubt the bona fide desire of the foreign Powers for the rehabilitation of the great nation of China.

MR. OWEN F. ROBERTS: I want to say just a word to the Chinese students. As Theodore Roosevelt replied once to his Secretary of State, "When you talk to me like that [pointing his finger admonishingly] I am with you, but when you talk to me like that [shaking his fist] I am against you."

I do not want to believe that the Chinese students want all that they are asking for. I do not think it is for the good of China. There has been built up at the treaty ports a vast wealth, entirely due to these unjust treaties which were obtained from China at the point of the bayonet, and it seems to me that now is not a wise time for China to ask for the abrogation of these treaties. No one knows who will be in power in China to-morrow or what the law will be. China's receptive attitude toward the plague which has overcome Russia does not inspire confidence. Life and property must be protected or civilization perish.

The Municipal Council of Shanghai, which seems to have no friends to-day, has instituted and enforced regulations which have attracted capital from all over the world, and especially from the interior of China. Would you put the blight upon Shanghai which they put upon St. Petersburg, once a great city, and which has now shrunk to a hollow and half-deserted Lenin-grad?

I hope the time will soon come when these students, who are doing very effective work against the foreign authorities, will put greater pressure upon their own government officials for efficient, honest administration of the central Government of China. When this is brought about, we shall see speedy results.

There can be no dictation from foreign Powers as to tariff control or any other matter if the Government and laws of China gain the confidence of the world, and that could be very speedily brought about.

There is no one, I believe, who is keener for the Chinese and wants more to help the Chinese than I do. It is not a question of pity. They are not to be thought of in that light. We are not granting them anything that isn't their right and due. It is only justice they ask. There is no Power in the world that has any right to say what their tariff shall be. There is no Power in the world that can say that it has any right to any part of China. I have feared from the very start that there would be a partition of China. It very nearly happened a short time ago, but I believe China is safe from that to-day, and it is largely through these returned students who are asserting themselves.

I believe China must again be that fair land whose patriotic sons and daughters have high ideals, with an honest government, and laws commanding the admiration of mankind. They will soon be prosperous and happy, and I say to the students, lead on, but do not destroy!

MR. PAUL HARVEY: In discussing these difficulties in China, we should address ourselves to the cause of the difficulties.

The Chinese people are seeking Western education and the students who return are reaching out for Western religion and certain things which Western civilization produces. So there is a demand in China for Western things and the foreign establishments in China are very largely the result of that demand. Certainly that is true as far as America is concerned.

The core of the Chinese problem is that China has more people on a given territory than any other nation in the world while she has developed a smaller capacity to provide for the needs of those people. It is not generally understood how greatly standards of living are dependent upon such things as development of mineral resources. Our standards in the United States require to-day forty times more mineral development per capita than we had twenty-five years ago. So if China is to have her standards of living raised, she must have a larger mineral and industrial development. That means a larger establishment of foreign interests because China is not in position herself to provide for such development.

If China is going to have order, she must have government. She has to have railroads to transport her troops to maintain that government. There is a demand in China for things which is going to increase foreign commitments on Chinese territory, and while that is going to be done and should be done in an orderly and fair way and under proper supervision, nevertheless it must go on and when we talk about getting out of China immediately, as has been suggested here, or removing extraterritoriality im-

mediately, it seems to me that we ought to see that that can be done only very gradually and that some of our commitments are going to increase rather than decrease. The treaties growing out of the Washington Conference provide for the consideration of the abolishment of extraterritoriality. Governmental conferences are about to be called to that end. At these conferences the subject will be dealt with by the agencies which alone can deal with it and the Chinese Government will be heard. Here our purpose must be educational.

The difficulty and unrest in China were largely brought on by demands from China herself, demands which are creating an industrialization movement in China, because those demands can not be fulfilled without industry, and industry means large foreign equipment. We should emphasize the great necessity of cautioning "young China" against a demand for a too quick adjustment of this situation, because if the demand for full sovereignty is made before a government is provided on which alone sovereignty can rest, there is going to be an upheaval in China. Certainly the American people have always had a high regard for China; the American Government's purpose has always been to protect China. America wants to help China in every way, but it must be done practically and I, for one, doubt very much whether the present Chinese demands for full and immediate autonomy are practical demands. I believe that they would create a situation which would be far from good for China. We first must help China economically; we must help China to regulate her finances, to balance her budget, to raise her standard of living, to establish a proper fiscal system, and all that means foreign development of mineral resources and of other things on Chinese soil. This is not exploitation, but actual service to China.

It is a mistake to speak always of extra-national development of such things as oil fields and mineral resources as exploitation. At the present time, the world is witnessing a pressure of population on supply which it has never witnessed before, due to the fact that the population of the world has doubled in the last century. Migration is no longer possible. That immigration is drawing to a close because the newer countries now have population problems means that if nations are going to maintain a worthy standard of living on their own territories, there must be an adequate development of their own resources. Nations can go forward only as they develop their resources, and not only China but also many other countries are to-day in no position to do that unaided.

The mineral industry on which higher standards so largely rest is a highly competitive, highly technical industry. The Chinese have not the personnel, the trained specialists, the capital, the experts, nor have they the equipment for this industry. Development of resources must in the first instance be carried on for them, and that means increased foreign commitments. I believe that the very heart of the Chinese problem is to get the new China to recognize these basic facts and not to make impractical demands for action which would have an effect very much against her own progress and her own interests.

The students should be seeking internal reform, instead of the expulsion of the foreigner. Before China can have complete autonomy, complete self-government, she must have responsible government.

MR. E. STANLEY GLINES: There is a view of the business man in China that he is afraid and hesitant to tell you, for the reason that the moment he comes out and tells you how he feels and what he thinks, immediately there is placed against him in China a boycott that is most effective, and in speaking as I am going to speak to you, I realize the danger against my own interests.

Mineralogically speaking, China has been a great disappointment to all the foreign nations. If there is any one point on which I am more or less qualified to speak, I believe it is this point, because the organization of which I am a part and organizations with which I have been connected have spent a great deal of money trying to find out just what China has in mineralogical resources.

Take as an example, iron ore—if China were to mine her iron ore at the rate we mine ours in the United States, the ore beds would be completely exhausted in from six to ten years. China has practically no coking coal, no copper. In fact that statement applies to the whole of the Far East, and is germane to the situation. Therefore, it changes our whole aspect towards the Chinese problem.

The Japanese have come within the last few years to this same conclusion. I am satisfied in my mind that that was the primary motive behind their agreement to withdraw from Shantung and Hankow; it wasn't worth the price.

Something that strikes one as very peculiar in this whole matter is that from the same set of facts different conclusions are drawn. The committee that gathered the facts for this Conference should be complimented. With the exception of the minerals of which I have just spoken, I think the facts have been ably presented as I see them, but I draw somewhat different conclusions from the facts.

There is a very large and responsible group, of which I like to feel that I am a part, who feel that the chaos in China is due entirely to the Chinese—that while Bolshevism, international interference, is operative and effective to a degree, it is a very minor thing. The chaos is due primarily to the inability of the Chinese to get together among themselves. We feel that it serves no useful purpose constantly to remind the Chinese of their ill-treatment at the hands of the foreign Powers, that a much more effective job would be done if we would help the Chinese put their own house in order.

The Chinese must bring forth their own remedy for this situation. It has got to be solved by them. Those of us who feel we know the Chinese, believe in the Chinese, and have confidence that eventually they will evolve that form of government that will best suit their needs.

China is not able to-day to enjoy all the advantages offered her under the Nine-Power Treaties of Washington, because she is not able to undertake the responsibilities. That is perfectly evident. Why bring up at this time

a possibility of her going beyond these treaties when we know it is impossible, and therefore not fair to the Chinese to lead them to expect it?

Because of the institution sponsoring this Conference and the character of the delegates, information emanating from here will bear the label of facts, and you see how difficult it is to separate facts from conclusions and conclusions from facts. Therefore we should be exceedingly careful to present all sides of the situation in order that our own people in the United States should have an opportunity to formulate their own ideas on this subject.

In standing before you here to-day, I am serving a very selfish purpose. I like to feel that in this I am helping to serve, first of all, the people of the United States, and next my own interests, in that I hope to be one of the vehicles through which American capital may some day flow to China. I know that there are only certain investment conditions under which that capital can flow to China. So long as China remains unstable, capital from other lands than the United States can go to China and take the risk, because it is in the very nature of things political in that it is supported in each case by its Government. Our capital is not, cannot be, and never will be so supported.

I believe the present disturbance in China, sponsored by the so-called students, is an exceedingly fine thing for China. It shows an awakening to national consciousness which China has so greatly needed. When the student movement is directed to cleaning up the military tuchuns and to establishing a stable and responsible government, it will have fulfilled its promise. This will not be accomplished by attacking the foreign Powers in China, for such attack will, to my mind, postpone its accomplishment. Those of us who sympathize with the attack on foreigners on the part of the student movement are enemies to responsible government in China. Of this I am satisfied.

From the facts furnished this Conference, it is seen that neither foreign customs control nor extraterritoriality was forced on China, but both were willingly accepted by China as offering the best solutions at the time.

As a result of foreign customs administration, China has borrowed large sums with the customs pledged as security. These securities are held all over the world, in many cases by people of small means. China's credit has never been sufficiently high at any time to permit her to borrow at the rates she obtained on many of these loans, except under foreign control. It is no disgrace for a country to pledge its customs as security. It is done every day in New York and in London. Nor is it any disgrace for a country to place the control of the collection of the customs in foreign hands. This also is done every day, and does not seem so dreadful when looked at solely as a matter of lending and borrowing. It is simple, and nothing about which any of us should get over-heated. We do these things every day in our ordinary transactions in life.

To those who point to these financial operations as evidence that China is not permitted sufficient income to run the Government, I reply that it is

China's fault, not that of the foreigner, and I give as my best evidence of that the *likin*, or interior tax, situation. Here you have immediately back of the treaty ports the Chinese *tuchuns* collecting at will to whatsoever amount they desire to levy. Now, the Chinese Government is unable to get its hands on that tax. What reason have we to believe that the Chinese customs turned over to the Chinese is going to result in the Government getting hold of that fund, and if it should get hold of it, what Government? I am convinced that if the Shanghai customs were turned over to the Chinese at this time, the *tuchuns* immediately adjacent to Shanghai would get the funds.

Further, any people who say that they require for their own safety that money be collected by foreigners argue by the same token the inability properly to spend that money once it is turned over to them.

Some of you believe that such leased areas as Shanghai should be turned over to the Chinese and that extraterritoriality should be abolished. You point to the large amount of fixed capital investment escaping foreign taxation which you say properly belongs to the Government. You also point to the fact that within these leased areas resides a large Chinese population who have no say in the Government.

Why are these Chinese in this area? Simply to escape the rapaciousness of their countrymen. When these Chinese, as a protest to the foreign control of these leased areas, move out of these leased areas and put themselves at the mercy of the military, then I shall believe them to be sincere.

Do you honestly believe that in the event of the Chinese being placed in a position where they can tax these foreign holdings, the money will go to the Government? There is certainly nothing in the present situation to warrant any such confidence. So you see how hard it is, from facts on which we all agree, to draw conclusions. One man draws one conclusion and another, another; all perfectly sincere and all friends of China, and I yield to no man in my friendship for China and the Chinese. As a matter of fact, I go further than that in that I have put my own capital alongside of the Chinese capital in China and outside of the treaty ports.

The Nine Power Treaties, under which the forthcoming conference meets, provide ample machinery for giving China everything she needs or requires consistent with her ability to undertake the responsibility, and there is every incentive on the part of the foreign Powers to help China. The foreign Powers, I am convinced, outside of Russia, no longer desire to maintain spheres of influence in China. This applies to Japan, France, Great Britain, and the United States. But they do desire to sell to China and to buy from China, which means of necessity a friendly China, a prosperous China. I am convinced that these Powers desire to have a stable China, a prosperous China, and a healthy China.

Each of the Powers, it seems, is trying to pose as the only friend of China, and each is trying to put the other fellow "in bad," so to speak. Never before have our Departments of State and of Commerce been so well equipped both in China and the United States as to personnel for handling the Chinese situation. You all know that Mr. John V. A. MacMurray, who

has had a long and honorable experience in the Department of State and who is considered one of our experts on China, is now the Minister to China. Our consul generals at the various treaty ports are more able to-day than ever before. Mr. Nelson Johnson, the present head of the Far Eastern Division of the Department of State, is an exceedingly able man and has had a great deal of experience, as has also Mr. Eldridge. In other words, never before in the history of our Government has it been so well equipped to handle these problems, and I am quite satisfied that unless undue pressure is brought to bear from the outside, there need be no hesitation in leaving to it all of our problems in the Far East.

FREDERICK MOORE: The abolition, or termination, of extraterritoriality, does not make any difference to the American people—any great difference, except one of sentiment. We should not lose a great deal. I think our merchants would get along very well and the missionaries, too. But if we are going to establish such a principle we ought to be careful how we do it—not to criticize other nations for not going so far ahead as we do.

For example, in 1900 the United States refused to accept any concessions of territory in any of the treaty ports in China. There was territory allocated to us, but we refused to take it. Only in Peking did we accept enough ground for the housing of our minister, his staff, and our legation guard. Nevertheless, what do you find in China to-day? You find the American Consulate at Tientsin is in the British concession taking the protection of the laws that prevail in that British controlled territory. You find the American Consulate in Shanghai in the International Concession. You find the American Consulate in Hankow in the British Concession. You find the American Consulate in Canton on the Island of Shameen. Those are the principal treaty ports.

If we terminate our extraterritoriality we have to go further in fairness and justice. We have to take our troops out and we have to take away our gunboats, and then we would be dependent largely, it seems to me, as we have been in the past. One man taking refuge on one occasion at my house came in protected by British troops. He was an American. There have been many such cases.

I think there is a tendency in us to sympathize so much with the Chinese (although I don't think you can give too much sympathy to the Chinese), that we take on hostilities which are undue. In sympathizing with the Chinese there is a tendency among us to denounce the British and the Japanese as imperialists. Certainly there has been much imperialism in the British and Japanese policies in the past. But there are two British aggressions, so called, which are to-day the principal things that bind China together in unity: the two principal sources of revenue of China are the Salt Gabelle and the Maritime Customs, both of which are administered by British subjects; and if you would take away that administration you wouldn't harm the British greatly—there might be some reduction in their trade—but you would do great damage to the Chinese.

In principle, certainly, extraterritoriality is a thing which should be

abolished. A statement to that effect to the Chinese should be made, in my opinion, at the forthcoming conference. The interests of Japan and the sentiment of Japan, and the interests of Great Britain and the sentiment of Great Britain, and the sentiment and the interests of the United States, are all in accord on that principle. The greatest damage, it seems to me, if we abolish extraterritoriality with one sweep, would be to the Chinese. The different tuchuns would take advantage of the opportunity which would be given them by the departure of foreigners.

There would not be these comparatively small concessions at Tientsin, Peking, Canton, and various other places, to which the Chinese could flee in refuge from the tyranny of their own people. To-day, what do you have? You have one President since the Republic was established, dead, Yuan Shih-kai. He attempted to declare himself a monarch and died in a very short time, largely of a broken heart. You have another President of China who has become very wealthy and to protect that wealth has taken refuge in the foreign concessions in Tientsin. You have another President of China incarcerated in jail with no attempt, no pretense, of a trial of any sort. Then you have the Emperor of China in the Japanese settlement in Tientsin for protection.

The great problem of China is not this little bit of extraterritoriality for the foreigners who are there. That is a small problem for China, and we are working up a good deal of sentiment (good sentiment if it is directed and controlled in the right way) largely for a matter in which we ourselves cannot greatly assist. The great problem of China, as has been said before, is the Chinese. With that great mass of people, with their great extent of territory, with their great capacities, with their tremendous industry, when the Chinese people get together, organize, serve their own country and their own selves, no Power, whether it is Japan near by or the United States far away, and no combination of Powers, will be able to stay there in China if the Chinese shall not want them.

DR. P. W. KUO: The burden which seems to be on the heart of many people in the United States is that China is not ready for the things which she is asking for, and that the present Government is a more or less nominal one. I think we as a people appreciate this very kindly anxiety on our behalf. My impression is that the friendly Powers are very much more concerned with this problem than the Chinese themselves. Of course, we are concerned. We want to have a stable government. We want to have a united country. We want to have a government which can not only administer the internal problems but can also with ability bear the responsibility of safeguarding the interests of the foreign nations.

But we feel that the situation is not as bad as it appears to some people in foreign countries. From the same facts, one may draw different conclusions. For example, it is said that the settlements have been places of refuge for many of our people. That is true. That may be regarded as an argument for the existence of treaty ports and concessions. But another way of looking at the matter constitutes one of the strongest arguments the

Chinese people have to offer for the removal of these treaty ports and concessions. Many of the so-called civil strifes and disturbances in China are due to the fact that there are such ports, such concessions in China into which political refugees and troublemakers can go. If there were no such concessions or treaty ports, there would be fewer troublemakers, and the war agitators would be greatly reduced if not entirely eliminated. If there were no treaty ports, where would they go? They would have to go abroad, and that is more difficult and more expensive.

Speaking of President Hsu, who is now in jail, and of the former Emperor, who is now under the protection of the Japanese, and so on—you know, these may be regarded and have been regarded as signs of the undesirable condition of the Chinese political situation. However, they may also be regarded as a very happy expression of a certain characteristic of the Chinese people. Recently, I visited Europe and I went to a number of castles where I saw many pictures and statues of emperors and presidents who had been killed, massacred. When we had the Revolution, we didn't do that. The last president was elected through bribery. He was no good, and our people did not approve of him. We fought against him, but when he was defeated, he was out of the game, and our people would say, "Well, he is down and out. What is the use of oppressing him? Let us keep him in a safe place so that there will be no more harm." It is a spirit of tolerance which is a characteristic of our Chinese people. So you see from the same facts we can draw different conclusions.

During this period of transition and readjustment we have had political situations which are not satisfactory either to the people or to our foreign friends; nevertheless the psychology of the people of China is such that we are not discouraged, we are not entirely disappointed, we are not pessimistic over the future of China. Somehow, we feel that sooner or later we are going to work out our problem. It takes a little time because China is a big country. Some one made the statement that China is not a country; China is a continent. I think he is right. One province, Szechwan, is as big as any one of several of the nations of Europe. You can't expect quick results when you are dealing with such immense problems.

This ancient country has faced all sorts of difficulties in its history of 4,000 years. We have had revolutions, we have had changes of dynasties one after another, but somehow this country has lived for over 4,000 years. Only a short period of fourteen years has elapsed since the establishment of the Republic. What is that to a history of over 4,000 years?

After a century, perhaps, when the modern history of China may be written, suppose the historian were to say that after 1911 there existed in the history of China a period of say fifty years during which there was readjustment and transition, during which there were political disturbances, and so on, would that affect very much the general picture of the history of China? Personally, I think it would not.

At least, I am trying to give you, as I feel it is my duty to do, the psychology, the attitude and the feeling of the people of China toward such

general questions and toward the political situation in China to-day. I hope I may not be regarded as being too optimistic.

MR. E. STANLEY GLINES: I dislike being placed in the position of appearing to speak in opposition to the Chinese, because I am such an admirer of them and of their institutions.

Doctor Kuo has spoken to you very ably along the Chinese line of reasoning, but he neglected to tell you, I think, the Chinese are so tolerant when these political refugees escape into foreign concessions that their extradition is not even asked for. The Chinese authorities are ultra-tolerant. Further, I am quite sure that the Chinese who are here would not like to have their people called political refugees or political agitators, yet I am also quite sure that at least ninety per cent of their families live in these foreign concessions.

Doctor Kuo says the Chinese are accustomed to waiting a long time. That is what I have understood, but then why the hurry about this extraterritoriality? Why not wait, and let the thing eventuate? The Chinese will get it if their house is ever placed in order. They can then demand it; they will not have to ask for it.

I am afraid that I may be looked upon as a "hard-boiled" banker. I am not. I am really only trying to see a situation in China that will permit us to go in in a sizeable way. We Americans are really not in there at all. We don't amount to anything in China. We just haven't any interest in there to speak of, and if it were all wiped out to-morrow, it wouldn't make any difference to us whatever.

There are many people around Wall Street who, like myself, would really like to put some money in China if it could be done, but it can't be done, and we don't see any immediate opportunity of doing it.

No one is desirous of going out and taking anything away from China. There is nothing there to take. What we are desirous of seeing is, first of all, a friendly China, because we want primarily to sell to the Chinese, and in order to sell in any volume in China we must have a stable China and a prosperous China.

Those things will come in time. There is ample provision in the Nine-Power Treaties to work out this situation as it evolves and as it eventuates, but why rush it?

DR. P. W. KUO: I am not a legally trained man and am not in a position to speak with expert knowledge on the subject, but very recently I have had the pleasure of meeting one of my fellow countrymen who is recognized as a legal authority, not only in China but also among the jurists of the world: Dr. Wang Chung-hui, who is a member of the World Court. I asked him this question: "Where do we stand in legal matters, in the law and its administration?" He said, "You know as well as I do that this work of the reform of our law has been going on for some twenty years, and we have had commissions created a number of times to revise and again to revise the laws."

To begin with, the ancient Chinese laws, while they have points which

are not adaptable to modern conditions, were considered by the jurists of the world as being very equitable ones. So we had a good basis to work upon, and, since the decision was made to bring our law up to the standard of those of modern nations, this revision has been going on. Codes as well as procedures have been revised, and many of these have been promulgated and practiced during the last few years. According to Doctor Wang's statement, and in the judgment of the foreign experts that were employed on the commissions, the state of the present Chinese law ranks very favorably with that of the laws of modern nations.

We do not mean to say that our laws are now perfect. They are far from that. But it is safe to say that no nation can yet boast of perfect laws. There is always room for improvement.

Now in the administration of Chinese law, we had at first three stages of procedure. Now we have two: the District Courts in the provinces and the Supreme Court in Peking. Along with the reform of the courts came the reform of the police and of prisons. Corporal punishment has long ago been abolished. So it is safe to say, according to Dr. Wang Chung-hui's judgment, that the present state of Chinese law has been advanced so far as to warrant the removal of the consular jurisdiction, particularly inasmuch as the Chinese Government is prepared to engage foreign experts, foreign jurists, to sit with the Chinese jurists, or, during the period of transition, to have special tribunals to deal with cases in which foreigners are involved. The Chinese Government has practically committed itself to such a procedure if the Powers concerned will consider seriously the question of the removal of extraterritoriality.

DR. L. B. RIDGELY: What do we mean by the Chinese Government? Do we mean the present Government of Peking? If so, we cannot help noticing that we enter into the politics of China because the present Government at Peking is not universal in China and is not exercising authority all over China. There it seems we come into practical difficulty in regard to just how to act, and it is for that reason, it seems to me, that we are driven to put up to whatever authority we deal with this question: Can you guarantee that what you agreed to with us will be carried out, and what you offer to us will be given to us? We must know to whom we are talking, and in that way avoid certain complications. The agreement of 1905 was with the old Imperial Government. Perhaps if it were not for the revolution we might have accomplished something. What is the Government of China?

DR. W. W. WILLOUGHBY: Of course the American people are dealing with the Peking Government. We are in full relations with that Government, and have provided for conferences to be held with that Government. It is true that that Government has not effective executive power over China, but at the same time as long as we deal with that Government, until the United States changes its mind and withdraws the relationships, we must deal with that Government as the Government of China. In fact, I would imagine that while the Peking Government has not the power to act independently, it is disposed to act and could act when it is supported by the public opinion of

the Chinese people, and if the Chinese people support the proposition of a character that has been suggested here, the Peking Government, I would imagine, could make it effective.

MR. C. C. BATCHELDER: I have been requested to give the points of view of the American business men in China, because I have been engaged for some time in collecting information on the subject. The opinions which I am about to express are not my own, although at the close of my remarks I shall give some expression to my personal views.

The opinions of the American business men in China differ very widely. Some are willing to give up extraterritoriality because they think it will benefit their business, but most of them are not willing to trust their lives and property to the jurisdiction of Chinese courts and civil and military authorities under existing circumstances.

There is also no agreement as to the facts in the case. You have heard a statement from one of our Chinese friends of their point of view. It was stated that modern commerce and criminal codes have been prepared and promulgated and that there are competent judges. It seems to be established, however, that while some of these codes exist on paper, they have never yet been adopted by any parliament or other similarly constituted authority and so are liable to be set aside at the will of any one of the military leaders.

It seems also to be true that there are not enough thoroughly qualified judges to administer these codes all of the time. I have never met with a Chinese who claimed that the Chinese Government was at present in a position to administer these laws in the interior of China. Further, it is generally felt that a large number of the judges are under the complete control of the civil and military authorities, while others are accused of bribery and corruption. The question also arises as to the authority which should appoint the judges in case extraterritoriality were to be abandoned. It is quite clear that the Peking Government could not appoint judges either in Manchuria or in South China. There is also no agreement as to the method which might be employed to execute the decisions of these judges in districts beyond their jurisdiction, and there is no existing arrangement for summoning witnesses or for carrying on the other processes of the courts. There are many instances on record where the inferior courts have defied the orders of the supreme courts, although the action of the inferior courts was entirely unwarranted and the appeals were made according to the provisions of existing laws.

The American business men are largely influenced in their attitude by the accounts which are current of the treatment by the Chinese authorities of the Russians and Germans who do not enjoy the advantages of extraterritoriality. Cases have occurred in Harbin where Russian merchants who had taken no part in politics and were not accused of any misdemeanors were placed in jail by the Chinese magistrates and kept there without food and without communication with their friends until they had given up practically all their property to these magistrates. They were not released until they had given

up not only their money but also the furniture of their houses and even their fur coats. At the same time, the Chinese policemen in Harbin "beat up" a number of the Russians of the lower classes who were not accused of any misdemeanors or even of impertinences to the policemen. The assaults on the part of the policemen were committed merely for the purpose of showing their authority and of retaliating upon white men the treatment which had been formerly meted out by white men to Chinese coolies and others. There are a large number of instances where the property of foreign corporations has been confiscated by the military leaders in different places in China without the slightest pretense of payment, and so far it has not been possible for these corporations to obtain any redress. Illegal taxes, entirely contrary to treaty provisions, have been levied by the tuchuns, amounting in some cases to twenty-five per cent of the value of the goods, repeated more than once during the processes of internal trade.

While many Americans are unwilling to trust their lives to the jurisdiction of Chinese magistrates, nevertheless the chief objection seems to be to the almost certain prospect that oppressive taxes will be levied by the Chinese authorities upon American concerns if they are deprived of protection of extraterritoriality.

As there is no agreement whatever as to the facts in the case, might it not be well to wait before making up our minds until the report of the Commission on Extraterritoriality is published, provided for by the treaties made at the Conference on the Limitation of Armaments? A well-known American, Mr. Silas Strawn, has been appointed the American delegate on this commission which will undoubtedly make a thoroughly reliable report.

The policy of the American Government in the matter is perfectly clear and practically covers the demands of the more intelligent Chinese in regard to extraterritoriality. On September 11, addressing the American Bar Association at Detroit, Secretary Kellogg said:

The United States is willing to give up her extraterritorial rights in China as soon as that country demonstrates that her laws and the administration of her judicial system are adequate for the protection of foreign lives and property within China.

He also stated that when the commission began its work, he wanted it to "make a speedy report with recommendations upon their findings which would enable this Government to consider what, if any, steps may be taken with a view to the relinquishment of its extraterritorial rights."

The interests of the United States are entrusted to Mr. J. V. A. MacMurray, American Minister to China, and to Mr. Silas Strawn, who is a lawyer of wide experience and who has for many years represented important business interests. The policy of the Department of State in Washington is under the guidance of Mr. Nelson T. Johnson, who has had a long experience in China. Both Mr. MacMurray and Mr. Johnson are extremely sympathetic with the aspirations of the Chinese, and we may be sure that they will do everything possible to assist the Chinese, providing that American interests are not injuriously affected.

I am sorry to say that I differ from some of the statements which have been made by our Chinese friends in regard to the point of view of the Chinese people. Our friends have stated that they do not ask for the immediate abolition of extraterritoriality or the granting of tariff autonomy, but that they expect steps to be taken in this direction in the near future. The information which reaches me is to the effect that the Chinese masses will be satisfied with nothing except immediate and complete abolition of extraterritoriality, the granting of complete customs autonomy and the abandonment by foreigners of all their rights in the foreign settlements in China. While the views which we have heard undoubtedly represent truly the point of view of the intelligent elements in the population, nevertheless the agitators have been so busy in China that the masses have made up their minds that they will be satisfied with nothing except the immediate granting of all their demands.

I have received extracts from the Chinese papers which seem to leave no doubt whatever that nothing less than a complete and immediate granting of all their demands will satisfy the Chinese masses. Half measures will not be adequate. Most well-informed people seem to feel that it would be a tremendous catastrophe to China, one which could not be remedied, if these demands were granted. You see they have built up a tremendous business organization based upon the foreign concessions. Chinese to the number of 800,000 are in the foreign concessions in Shanghai alone. There are tremendous amounts of Chinese money invested in property in those concessions. The Chinese flock to these concessions because they are not willing to submit to confiscation by their own military leaders who do not provide security for life and property. If this security should be abolished, it would be a tremendous shock to business in China, comparable to the panic of 1893 in the United States.

Another point of view is that if the demands were granted they would have an effect opposite to what most of the young Chinese think. They think it would assist China to throw off foreign domination. The people who seem best informed explained to me that it would have exactly the opposite effect. It may not be evident at first sight why, but we all know the judges would be subordinate to the military leaders. The latter would tax the foreigners heavily because, in the clippings from Chinese papers which have been sent to me, one of the principal reasons given for the demand for the abolition of extraterritoriality is so that the foreigners might be taxed to the same extent as the Chinese. There would be complaints of injury to life and property by Chinese authorities (I speak of Chinese civil and military as distinct from judicial authorities), and it would be necessary for the foreign Powers to deal directly with the military leaders, because the Peking Government has no control over a large number of them. That is one reason they are working so hard for the abolition of extraterritoriality. If the foreign Powers deal directly with them they will be recognized. It will make them much stronger in their positions. It may even make them permanent. It will also undoubtedly lead to the landing of troops in different places, because some of the Powers

have adopted as a universal principle the protection of the life and property of their nationals under all circumstances. If extraterritoriality should be removed, I think you can be certain that it would mean frequent intervention by various Powers to protect their nationals in different provinces of China. This is not necessary at present and is something much to be condemned. It would make force more necessary than at present. It would lead to the use of gunboats and troops.

It is extremely necessary in all these matters that we should think them through to see what the results of certain actions would be. It is undoubtedly impossible at present to set a date when extraterritoriality can be abolished for this reason: the present system cannot be abolished until there is some government able to take over the protection of the lives and property of foreigners. Until there is such a government, we cannot abandon our present rights. That is the situation. We cannot set a date to abandon our rights until we know there is a government ready to take over the protection of those rights. It depends on the Chinese and on the Chinese alone.

I am personally very much in sympathy with the aspirations of the Chinese. I think every American feels the same way, because these aspirations are dictated by the same principles which led to the founding of the United States. Nevertheless, as a practical business man with twenty-five years' experience, I have seen that it is sometimes unwise to make haste without being perfectly sure what the result will be of the steps we are urged to take.

You have also heard that there are demands for the abolition of the customs control, including not only the limitation of the customs to five per cent (which to my mind is totally unjustifiable—I have been unable to find any arguments in favor of it) but also the abolition of the foreign collection of customs. That is the one thing that the military leaders in China want more than anything else. They want the abolition of foreign collection of the customs, because if this were abolished they would undoubtedly take control of the customs collections in the ports under their jurisdiction.

You all remember how Sun Yat Sen tried to take the customs which were being collected in Canton, and was persuaded to give up that plan only by the threat, and perhaps by the actual use, of force. In other words, complete customs autonomy for China would mean the maintaining of the armies of the tuchuns and would rivet upon China that worst of all governments.

I personally believe that other ways of accomplishing those ends can be found. I am in sympathy with the ultimate ends which are to be accomplished. My criticisms are only on the means, and, so far, I have given mostly the points of view of the American business men as communicated to me either orally or in writing over a period of a little over ten years.

In the first place, I think we should observe existing treaties to the letter. A great many abuses have grown, especially in the last twenty years, which are totally unjustifiable by the treaties. The Chinese point this out, and we have absolutely no defense.

It seems possible to a great many American business men that if these abuses were removed, complaints against extraterritoriality would disappear. I, personally, do not think so. I think the system is essentially wrong, and never could be satisfactory. I think, however, we should have a transition measure to prepare both the Chinese and the American and foreign communities for the ultimate abolition of extraterritoriality, and my suggestion is a Chinese Court to try all cases in which foreigners are involved in China, but constituted along the lines of the Mixed Courts which have functioned in Egypt for so many years with relative, but of course not with entire, satisfaction. Foreigners should be appointed on these courts to try these foreign cases, but the laws should be uniform for all foreigners and should be applied only in cases in which foreigners are parties. There should be a stop to the present system of trying to give Chinese foreign status in order to give them protection and to put under protection of these consular courts people who have absolutely no claim to such protection.

When you come to the matter of the missionaries the situation is different. The missionaries are undoubtedly able to speak for themselves. They understand the situation. The business men feel it might be advisable for missionaries to give up extraterritoriality because it would undoubtedly assist them in educational and in religious work by making good feeling among the Chinese towards them. This plan has been widely talked about in the foreign communities all over China, and the objections raised are on the ground that the Chinese will be unable to distinguish between a foreign missionary and a foreign business man. That is a possibility which remains to be decided. There are strong arguments that might be given for both points of view.

The real situation, however, is perfectly clear. The situation is really "up to" the Chinese. If the Chinese can demonstrate that they can give safety to life and property, within reasonable limits, in China, there are practically no arguments why their demands should not be granted.

We have before us the example of Japan which had customs limitation, extraterritoriality, and other hampering restrictions. The Japanese, instead of making demands, went to work to build up a modern system of government, and then said, "What reason have you for not abolishing these restrictions?" and the result is that the restrictions were abolished long ago. If the Chinese had adopted the same policy, the restrictions in China would have been abolished long ago.

In my own mind, the situation is extremely dangerous for a reason which I do not think anyone else will bring out. From the really important things, namely, the reform of the Chinese Government, the lessening of corruption in public life, and all those matters of general reform which are absolutely essential for the well being of China, the attention of the young men of China is being diverted to the demands upon the foreigners, which, in the minds of a great many of us, would not materially affect one way or another the real, essential situation in China.

A great many people feel the granting of those demands would make

the situation worse, for the reasons I have outlined. I find very few people qualified to judge who feel it will make the situation better.

The attention of the students is diverted from important things to less important things and a question is arising in the minds of some of us as to the reason for this diversion. I have been endeavoring for some time to find out. Some of my friends have given explanations to me, and I have had personal conferences with others. They say the Bolsheviks have expended very large sums of money to divert the minds of the students from internal reforms to attacks on the foreigners. In one instance, a responsible man said that \$1,700,000 had been deposited in a bank of China and was ultimately paid out for this purpose. From another account with another bank \$4,000,000 had been paid out for the same purpose. It would surprise you to know the efforts which the tuchuns have been making to divert the attention of the students from these necessary internal reforms so that these tuchuns may be confirmed in power.

It is impossible in a few brief moments to outline the situation or to propose remedies. A number of people have been working upon a remedy. It is a rather complicated system, well thought out, and the authors think it may tend to improve conditions immediately and ultimately relieve the whole situation in China.

In the meantime, I have a suggestion to make which I think may be of value: that is, inasmuch as there is so much difference of opinion as to the facts, it might be of the greatest benefit to China and the United States to have as a result of these conferences, a committee appointed to ascertain the facts and to give them to both the Chinese and the American peoples. The Walter Hines Page Foundation might be able to cooperate and to have a study made in China.

It seems to me personally that the one thing we need in the United States at the present is an unprejudiced statement of facts in regard to extraterritoriality, customs control, and other similar matters. There is no agreement on the subject, and I think it is quite possible to publish a statement of facts which cannot be criticized unfavorably by either side.

DR. NORMAN THOMAS: Is it seriously believed that we can get our scheme adopted without the use of force, and is it worth the use of force?

MR. C. C. BATCHELDER: I believe if the demands of the Chinese were granted it would lead to the use of force in an increasing measure for a prolonged period. In all these matters opinions differ, and I have no intention of saying that I think my judgment is better than that of any other person, because there are differences of opinion. I think that granting these demands will lead to the continued use of force, and the American Government would be obliged to use force. I am more opposed to the use of force than it is possible to put into words.

This other plan has been under consideration for a couple of years. It has been carefully thought out and criticized over and over again by prominent Chinese—not by students, but by older men, able to get into the United States—and I am told it has the support of the Chinese banking and busi-

ness men. One of the leading Chinese bankers came to the United States last winter and spent months seeing prominent Americans to see whether, if this plan were brought forward by the Chinese, it would receive a sympathetic response on the part of the Americans. This plan has been built up to meet the needs of the different sections of Chinese people and it appeals so strongly to their aspirations that many people think it could be put through, not at once, but step by step.

I agree something definite should be done. I do not believe we could put many of the demands in operation at once. I think we should state immediately, within six months, exactly what we are prepared to do, and lay down the conditions upon which we are willing to grant various demands. I feel very strongly in any dealings between the foreign powers and China to-day, we should express exactly what we mean beyond the possibility of misapprehension.

MR. E. STANLEY GLINES: China is strong in her weakness. You cannot put your hand on any nerve center in China. Nobody realizes force is futile any more than the commercial interests, and I want to take this opportunity to say that they desire China to be a friend. They realize force cannot be used.

BISHOP D. T. HUNTINGTON: I understood Mr. Batchelder to state that he thought that the granting of these things which they want would have a tendency to divert the mind of the Chinese from the really important matters of reform in their own government. I certainly agree that the strengthening of their own government is the most important thing for them to do, but it seemed to me it was within the range of possibility that if we could grant a considerable number of the things they want now it might divert their minds from minor matters to the really important and simple matter of their own government.

MR. J. J. KEEGAN: With regard to the abolition of extraterritoriality I can safely say that I reflect the sound opinion of the majority of foreign business men in China when I say that we shall welcome the day when China is able to conduct her affairs like any other government. When the stability of her Government and the proper establishment of law and order exist throughout the country all foreign business men will be willing to yield up the protection of extraterritoriality so vital at present.

MR. CARL W. HAMILTON: When we talk about the abolition of extraterritoriality, one of the most encouraging things, in spite of China's present weakness, is the fact that, after all, the administration of government and justice requires the same general principles that are essential to permanent success in business. I doubt whether any real business man will challenge my statement when I say that there is no people in the world superior in business activities to the Chinese. Therefore, there is no reason why they should not within a reasonable time grasp the science of government and run their own Government efficiently and just as capably as they run their other enterprises.

MR. STANLEY HIGH: It does not seem to me that it is any of our business

what sort of a government there is in China. I believe it is entirely beside the point to raise the question as to whether or not there is chaos or order in China. Our business as Americans is to lay down some principle according to which we can deal with China in justice, and then to raise the question whether or not that principle involves that all of us shall pull all of our interests out of China or whether China will set its house in order in order that those interests may be held and continued in China.

We have been devoting our time to inquiring how our justice can be made to conform to our special interests. I think it is time to raise the question as to how our special interests can be made to conform to some principle of justice that we can lay down.

We have heard the point of view which says that we shall delay. Personally, I believe that is synonymous with the Soviet point of view. I think there is nothing that plays more definitely into the hands of the Reds in China or in the United States than that sort of dealing. If, on the other hand, we can lay down a conservative point of view, a point of view that says exactly what we are going to do, if that involves pulling up all of our interests and getting out of China, then it seems to me we will begin to reap a very practical reward from that sort of business.

REV. CHARLES E. VERMILYA: The sooner we come to realize that we are dealing with a new man to-day, both in China and America, a man who is a very pressing factor in this situation, the better off we are going to be. We have a new man whom we have created. He is thinking differently than he ever thought before, from the standpoint of business and of the Church. Everywhere we have been flaunting conveniences and privileges in his face, and he is more restless to-day in relation to these privileges than any other type of man known in the history of the world. Speed is the one thing about which he is thinking. Even in the business world, we cannot wait to get rich as our fathers waited; we must get rich in a very short time and have a longer period in our life in which to spend our riches and to enjoy them. As far as the conveniences are concerned, we cannot wait to develop opportunity and means to get conveniences. We must have them now. The Chinese and other people are grasping at these things, and insist on having them speedily. That desire will bring them to the point where they will do the rash thing instead of the rational one, if not dealt with sympathetically.

DISCUSSION OF THE AMERICAN ATTITUDE TOWARD CHINA

BISHOP LOGAN H. ROOTS: We ought to begin our consideration of the situation in China by practically saying to one another that which I am sure we all realize to be the case, that which also the Chinese members of this Conference would be the first to recognize, namely, that the chief question about the settlement of the situation in China is that of the internal pacification of China itself. That is a problem of world-wide importance. It concerns mainly the Chinese people themselves. They themselves will of course have to bear the brunt of the solution of that exceedingly difficult question,

but while that is the case, it is perfectly true that we have something to do with the situation. We have met here in this Conference considering American relations with China because we recognize the fact that it is our part to see that our relations to China are what they ought to be, and that the Chinese demands of us shall be met in a reasonable way.

The primary question is concerned not so much with facts as with our attitude towards China. Whatever be the facts of the situation, I believe the implication of those facts leads us to see that our primary business, the fundamental thing which we have to do, is to see that our attitude as a nation, our attitude as groups of people interested in China from different points of view, is correct. It is not primarily a question for us, I judge, to advise the Government or business organizations or missionary societies just what particular, specific things they should do, but it is of primary and fundamental importance that we should maintain and develop an attitude of true friendliness towards China.

Now, that does not mean an attitude of sentimental exaggeration of the good qualities of the Chinese people, nor does it mean that we can possibly regard it as a feasible thing for us to hold aloof from China. Such an attitude is no longer possible for China or for us. It does imply that as Americans we should look upon China as a great nation with whom it is our primary business to live on terms of friendliness.

Friendliness seems to me to involve four things. In the first place, understanding. It is necessary for us, as those who would be friendly to China, to understand China, and that does not mean simply learning about the past of China, although it does involve that. It does not involve simply understanding the present situation, but it involves a continuing, permanent attitude of interest, intellectual interest, in those things which concern China, an intellectual understanding both of the Chinese people and of the Chinese situation.

Friendliness involves, in the second place, kindness, a really friendly feeling towards the Chinese people. In the third place, it involves respect, and I believe that that is perhaps the most difficult of all the things which we Anglo-Saxons have to put into our friendliness for the great people of China. We meet in a conference like this and it is fairly easy to say these things to one another, but we know down in our own deepest knowledge of ourselves that arrogance, racial pride, is one of the besetting sins of our race and of our nation, and it is our bounden duty to see to it that our friendliness, our kindly feeling, our understanding of China, are penetrated through and through with thoroughgoing respect for the Chinese people.

Then in the fourth place, true friendliness involves readiness to help when we can. If we approach the problems of China and our relations with China in that spirit, I believe we may hope to find a solution, for every incident of our past relations to China as a nation and as individuals can bear witness to the response which the Chinese people give to an attitude of true friendliness, such as I have been trying to describe. Mr. Lamont has said what multitudes have observed who have had good opportunity to observe,

not only Americans but Englishmen and other Europeans, that the outstanding characteristic of the Chinese people is their reasonableness. If we can meet them on that basis, there is no question which cannot be satisfactorily solved.

I believe that the fundamental thing is this question of our attitude toward the Chinese, our real friendliness towards them. But the method which we propose to follow is also important, the method by which we shall express our friendliness. We can do it as individuals and as groups of persons with special interests in China, groups more or less separated from one another, but I believe the time has come when we should recognize that no method can be right in adjusting the relations between America and China which does not involve the mutual consultation of at least three groups in America, the diplomatic group, the business group, and the missionary group. These three groups in the past, in the beginning of our relations with China, were fairly close together. But as our numbers increased, they tended to draw apart, and I think one of the most ominous things in regard to our relations with China is this drawing apart of the diplomatic group and the business group and the missionaries. The missionaries tend to meet and discuss matters by themselves, the commercial men likewise, and the diplomatic men likewise. But if we understand the real situation, I wonder if there is anybody who fails to see that no one of these groups can possibly, from its own point of view alone, really deal with or meet the situation.

The diplomatic group has its rules of international procedure and courtesy, but without the corrective of the business men's point of view and the missionaries' point of view, the diplomatic group is hopelessly handicapped and certain to go wrong. The commercial group likewise tends, as each of the others do, to pay its attention mainly to its own interests. In their most businesslike statements, this group will probably say that they are concerned to carry on business with China on the basis of enlightened self-interest. I have no quarrel with that description of the attitude of the business man and the business groups towards China if they really mean enlightened self-interest, for enlightened self-interest, in my judgment, is the interest of mankind. I believe there is no self-interest which fundamentally is not the interest of mankind. I do not care to push that conviction of my own to the point of saying that we have to agree about that before we can discuss anything, but I should like to have every business interest brought up in consideration of the diplomatic and missionary point of view also and see if it is not true that there is no business interest of Americans or of anybody else in China guided by really enlightened self-interest which is not to the interest of China and of the rest of the world as well.

And so of the missionaries—I am profoundly convinced that missionaries, and I speak as a missionary myself, are constantly making mistakes as missionaries because we are not in close enough touch with the diplomatic representatives of our Government in China, and particularly with the representatives of our American business interests.

I think one of the best things that Admiral Phelps did in China was to

bring out this point and to go, as he did, from the commercial bodies in Shanghai with a message to the missionaries all up and down the Yangtze Valley and in other parts of China. When a naval officer does that, he is doing what I believe is a very high service to every best interest of China and of America. It will require a great deal of forethought and of perseverance to bring about the kind of understanding between these various groups which to my mind is essential. But I believe that is the thing to which we should give our attention, as those who are concerned to make American relations with China what they ought to be.

But I cannot go this far without saying that I am also profoundly convinced that we cannot approach the question of American relations with China and forget the relations of other Powers with China.

One of the most reassuring things which I have heard for a long time was said here by Mr. Silcock when he described the attitude of Great Britain towards China as being practically identical with what I suppose most of us in this Conference would claim to be the attitude of America. We want to see China grow and prosper. Our attitude is one of unbounded good will, but not all Englishmen realize that Americans think that way, and not all Americans think that the English people think that way. We need to understand one another also internationally and to work together to see to it that the relations of all foreign Powers with China are adjusted on the basis of true reasonableness.

MR. FRANK M. MOHLER: The psychological background of the China situation is of the utmost importance. I am not an expert in Chinese psychology, but I think we do need to recall the essential features of the psychology of nationalism. Anyone who lived through the World War understands what it means.

Nationality is different from nationalism. Nationalism is a modern development arising chiefly since the French Revolution. Generally speaking, the essential features are: a common background of culture, a common language, belief in the superiority of the national group, reverence for heroes of old, free compulsory and universal education, and compulsory military service. When the nation is repressed the sense of injustice is aroused and the national spirit arises.

The modern expression of nationalism is a virulent variety. Nationalism has become a religion. It has subjected to itself education, labor, financial interests, and even religion itself. China has a new religion. The Chinese have their scriptures, the Four Books and the Five Classics. They have their ancient heroes, prophets, and sages. Mass education is coming to the fore. They have been subject to a long series of depredations by the Powers. They have had their martyrs and observe by public ceremonies their anniversaries, and they have men in abundance who will sacrifice themselves at any time to save the Fatherland.

We misunderstand the situation entirely if we insist on talking about the internal situation in China, or what "we will give the Chinese," or what they shall do with what they get.

You can go down to the beach and write on the sands "I love the Chinese," and challenge the waves to wash that sentiment away, but unless we do something that is better than that, the tides of nationalism will engulf us and wash us high and dry upon the shore.

MR. PATRICK J. WARD: The aspect of the Chinese question which I would like to call to your attention is the educational side. In China at this moment a strong national feeling is developing. But I think it is altogether wrong to refer to this feeling as nationalism. There is a world of difference between national feeling and nationalism, and it is just in reference to this I wish to speak.

Are we Americans going to encourage the development in young China of national spirit or of that nationalism which has laid Europe in ruins and which will do the same thing in China if not checked? At China's door is a country now steeped in nationalism. That country is Russia.

Nationalism is that narrow, self-centered, pseudo-patriotic idea which inflames international suspicions and hatreds, and that is what Europe has been doing in China for eighty years. I think the great opportunity which is open to America in China to-day is to turn this national spirit into healthy channels. That is, I submit, where Americans can lead the world and can help to solve these problems of the Far East in a practical way. I fully realize that factors clamoring for redress at this moment, like extraterritoriality and the tariff, cannot be brushed aside, but let us not lose sight of the lasting main things. Supposing you do solve these immediate problems in a satisfactory way, and on the other hand allow false educational concepts to grow up among the young Chinese, you are only staving off the evil day. If wrong theories go on corrupting the Chinese mind as they have corrupted the Russian mind, a time will come when we shall be told to get out.

We are told that public opinion in China is a paramount fact, and that the Chinese mind is steeped in ethical conceptions. In these two things, I submit, you have the key to the whole situation in China.

Doctor Kuo said the Chinese people now appreciate the ideals of modern democracy, but if we are going to teach the ideals of modern democracy as practiced to-day in Europe and, I am sorry to say, in America, we are going to set light to a trail that is going to end up in an upheaval more tragic than that of the Russian Revolution.

We have been giving Christianity to China. Let us not have her despise it and ultimately discard it. All the nations which have been a thorn in China's side are supposed to be Christian nations. What must China think of Christianity?

I will not take more of your time in laboring this point. It is the gospel of materialism and modernism, the utter disregard of Christian principles in the operations of the nations in China, which has given us this problem to-day.

We are told of three great things that should be coordinated in dealing with China or with any country, namely, diplomatic service, business service, and missionary service. These three are tending more and more to walk in

parallel lines, and the cooperation of these three divisions is absolutely necessary for good intercourse between countries.

The purpose of the missionary is not the narrow one of merely carrying on religious service. I am not a missionary, but I think the point to which the missionary should pay more attention is the permeation of the diplomatic and business services with these moral principles. If we can bring diplomats and business men to recognize these ethical ideals, I think half the problems of the world will be solved.

In relation to the contacts of the nations with China, I would just quote for you some important views on this aspect, and you will realize that when I say that the philosophy which we are teaching the young Chinese and the morals we practice before them are the key to the problem of giving China happiness and peace, not only within herself but with other nations. These are extracts that I have made from statements by competent men on the Chinese situation—statements made at various times, not merely within the past few months.

For instance, there is a statement made by Professor Denton E. Rebok, President of the Shanghai Missionary College, recently returned to the Adventist College at Takoma Park:

Young men of China are avowed atheists. The young men are turning against their religious traditions and are refusing to accept Christianity, and the students who come to America and return to China are encouraging their people to give up these traditions. The students are not helping their people to find a religion that will benefit them, and consequently Christianity is not making rapid progress among the Mongolian people.

Another statement came through Dr. Charles K. Edmunds, of Johns Hopkins. He made public some time ago an address by Professor Sidney Kok Wei, of the Canton Christian College, in which the friction in China is attributed to the adoption of Occidental militaristic tendencies. Professor Wei said:

In some ways China is better than before. But on the whole she is not better. In contact with the Western world she is finding it difficult to make proper adjustments. The worst tendency in China is that we are accepting readily and uncritically Western ideals and Western ways of doing things. We say we must preserve our national culture and yet we are giving up the precious ideals that made China once a great nation. Our forefathers believed in the supremacy of moral force. Now we believe in the doctrine that might is right. In other words we are worshiping brute force. The result is that militarism is sucking our blood, destroying our homes, burning our cities, and making us no longer a respectable member of the international community.

Again, a few words of Leon Trotsky on the matter would not be out of place. He said, referring to England in particular:

What is the use of sending to the East and the West secret agents with Moscow gold in one pocket and poison and dynamite in the other, when such agents cannot accomplish a thousandth part of the revolutionary educational work done by foreign capitalists and the foreign press in China.

I would also quote for you a recent statement by M. Karakhan, Soviet Minister to China, in which he said:

What they may have learned from us they learned by coming to Russia and seeing what we have done. The reason why this movement became organized nationally at just this time is obvious; it lies in the greater degree of education which has been attained largely through American and British agencies, your numerous educational institutions in China. Does not Lloyd George complain that young China to-day reads Bertrand Russell or English newspapers instead of Confucius?

I think these significant statements bear directly on the situation and show the trend and possibilities of Chinese thought being turned into these channels. Young nationality is a wonderful thing, but the doctrine of nationalism taught by Europe and Americans in China, I think, is fraught with results of the very gravest kind.

Other Nations and China

THE BRITISH ATTITUDE TOWARD CHINA

MR. HENRY T. SILCOCK

First of all with regard to the attitude of the British Government. While it is not proper to quote the exact authority, inquiries will certainly substantiate the statement that the British Government seeks to be guided by two main considerations in dealing with the China situation. The first is conciliation—a belief that the problem cannot be dealt with by force and that no attempt should be made so to deal with it. The second is the need of united action on the part of the Powers.

Public opinion, as distinct from government action, lays stress on the good will which the English people feel toward China. The *Times* has stressed this in one or two of its leading articles. Earl Beauchamp, speaking in the House of Lords on August 6, spoke of the "hereditary friendly attitude of this country toward China." The Archbishop of Canterbury, speaking at the same time and at the same place, said that what was wanted was "that we may show a friendliness and a confidence in the better side of China's public life and especially of student thought."

The *Times* is by no means the only paper which has given expression to the feeling of good will which exists. Most of the more responsible journals have voiced this sentiment, including such papers as the *Manchester Guardian*, the *Daily News*, the *Daily Herald*, the *Westminster Gazette*, and the weeklies like the *Spectator*, the *Nation*, and *Foreign Affairs*.

The attitude of many of these papers has been that England cannot afford to wait in every case for united cooperative action with all the other Powers, but must find some unofficial and friendly means of making clear her good will toward China without the delay caused by tedious diplomatic processes.

The missionary attitude may be spoken of more in detail:

1. Before the tragic events of May 30, English missionary societies had faced the whole question of the Boxer indemnity. They were not at all satisfied with the way that question was being handled and had put themselves on record with the British Foreign Office, and also made it public, that they would not put in any claim nor touch the Boxer Indemnity fund unless it were freely given by the Chinese.

2. When the Shanghai tragedy occurred a group of five men, representing different missionary societies, wrote at once to the *Times*. The letter was put in in the leading position on the page opposite the leading articles and made three points: (a) That however much people in England might dislike some of the ways in which Chinese nationalism was being expressed,

this nationalism was at the bottom a perfectly legitimate and laudable sentiment which had the sympathy of the English people. (b) That Chinese interests must be regarded as of paramount importance and that the English people must not look simply at what would be the best thing for their own country. (c) The attention of the Chinese student friends of the signatories was called to the fact that the maintenance of order was vital and that in so far as their influence could be thrown on the side of the maintenance of order, they would be assisting in what must at best be a very difficult situation. Although a letter from Sir John Jordan appeared the next day, rather criticizing this joint letter, the brief declaration did, no doubt, serve a useful purpose and in particular was the cause of great encouragement and satisfaction to the Chinese in Great Britain.

3. A few days later came the Annual Conference of British Missionary Societies at Swanwick. At that conference it was felt that great spiritual issues were at stake which could be dealt with only by spiritual forces. The conference issued messages of sympathy and good will to Chinese Christians, to missionaries in China, to Chinese resident in England, and also to the Christian people in England. This last message emphasized the supreme need of prayer in the solution of the difficulties which had been raised.

4. Since the Annual Conference at Swanwick in June, a good deal of work has been done in the way of meeting different groups of people, both political and otherwise, largely through Dr. H. T. Hodgkin and Dr. Harold Balme. At the present time opinion seems to turn in the direction of sending out a special envoy to China who will represent, not the Government, but the forces of good will in the country.

5. Plans are also matured for a small informal gathering of those representing the missionary societies which have considerable interests in China, where special attention will be given to the privileged position of missionaries and Christians in China under the treaties and also the extraterritorial rights of British missionaries. This conference is to take place on October 5 and 6, 1925, and will probably report to the Standing Committee of the Conference of British Missionary Societies at its meeting on October 9.

RECENT JAPANESE POLICY

MR. FREDERICK MOORE

I have no authority to speak for Japan, and in expressing any ideas or in saying anything whatsoever, I am only expressing the ideas of an American who has had opportunity to study—or to observe, at least—affairs in the Far East. For five years I was a newspaper correspondent in China, representing the Associated Press. For one year I was a business man and was dealing with China from America. For some time I have been in diplomatic work, so to speak, and in that service have visited China. I have not had experience as a missionary or as a soldier, otherwise I should have completed the round of American service in China.

The policy of Japan has been frequently stated officially to be one of

"hands off" the internal affairs of China. As far as any nation can keep "hands off" in the affairs of China at the present time, especially a nation so much involved as Japan naturally is because of geographical position, I believe the Japanese are doing it. I am speaking sincerely. I may be wrong, but I do not think so.

A recent incident came to my attention—it was told to me by an American consul quite recently returned to this country—which is an indication of the new policy which the Japanese are following with regard to China. I have heard Japanese officials say that they were going to demonstrate to the Western countries (which are suspicious of them at almost every turn) that they have no aggressive policy with regard to China.

You know what the situation is in the Yangtze River. There are British gunboats, Japanese gunboats, and some Italian and some French gunboats there, and some of our own gunboats, built in China with shallow draft that will permit them to go above the Yangtze gorges. I think these boats draw but three or four feet of water. It is an extraordinary situation when foreign gunboats are as far up a river like the Yangtze as foreign gunboats would be up the Mississippi River system if they went to Pittsburgh and beyond. But that is the situation in China, and we Americans have, I believe I am right in saying this, as many gunboats up that river as have the Japanese or the British. I believe I am also right in saying that we Americans have as many troops in China proper, with the exception of Manchuria, as have the Japanese or British. It is only a matter of a few hundred difference. There is, for example, an American regiment at Tientsin. It has been there, with the exception of one period of absence, ever since 1900. There are approximately three hundred American troops at Peking. There are, I think, about the same number of Japanese and British troops at those two posts. And then there are these gunboats up the Yangtze River, and the regular American patrol, what is known as the Asiatic Squadron, running into different Chinese ports from time to time. It is natural there should be more Japanese vessels on the China coast.

It is quite evident to anybody who has taken the trouble to learn and has been fair enough to watch accurately, in the last five or six years, that the Japanese are following a policy of conciliation with the Chinese. The relations with China are far more vital to the Japanese than to us. The trade between China and Japan is far more important to the Japanese than our trade with China is to us. Our trade amounts to very little indeed, comparatively. We hear about the great potentialities of China and we shall have a great trade with China when she "wakes up," but it amounts to little in the bulk of our internal commerce, between one state and another, or in our commerce with other nations. In amount our commerce first is with the British and then with the Canadians and third with the Japanese.

We have in China over nine thousand people—including all of the Americans there. Our greatest interest in China is our missionary interest. Our second greatest interest is our trade interest; and if that trade were entirely abolished with China I don't think it would affect this country so

much as that any of our servant girls would go to the movies once less a month.

We are talking therefore, from the point of view of sentiment. It is a good, healthy, valuable thing. But we are talking from the point of view of sentiment largely, whereas the Japanese relations with China are extremely vital to them, and they have seen that the policy of the mailed fist in dealing with China is a great mistake, and they have adopted, they say, a different policy; and this is evident.

Up the Yangtze River, the distance is so great that the different gunboats take different stations along that river. Recently, to get back to the story which was told me by an American consul, at one of the towns up the Yangtze River an outbreak by the Chinese took place; and the British consulate and the Japanese consulate were menaced. The Japanese consul took refuge in the upper part of his house and the mob went so far as to ignite the house. A British delegation appealed to the Japanese gunboat to land marines and the Japanese commander of the gunboat refused to do so. Not until an American and a British gunboat arrived, I think twenty-four hours later, were troops landed at that particular point.

RUSSIAN-CHINESE RELATIONS

MR. HENRY K. NORTON

Astonishing as it may seem, a conference devoted to China and its problems has been in action for twenty-four hours and the name "Chinese Eastern" is now spoken for the first time in the Conference.

The Chinese Eastern, as you well know, runs across about the central part of Manchuria from the Russian station Manchouli through the city of Harbin in the center of Manchuria to Vladivostok, the Russian port on the Pacific. At one end of this railroad, or perhaps more literally at both ends, is Russia—because the railroad begins and ends in Russian territory—but throughout practically the whole of its length it runs through Chinese territory, or at least through Manchurian territory, and for the purposes of considering it from the point of view of international politics we can picture it with the Russians at one end and the Japanese at the other.

Russia and Japan form very real and very vital and very important factors in the present difficulty in China, and I do not mention Russia with the idea of raising again the boggy of Bolshevism. There is little question but that Bolshevism and the Bolshevik policy are making strenuous efforts in China, but in addition to that and aside from the question of whether Russia is a Czarist Russia, a Kerensky Russia, or a Soviet Russia, Russia as Russia is busy in the Far East, and Russia as Russia in her relations with Japan furnishes the material for very real trouble behind the present trouble in China.

Russia in her advance across Asia toward the Pacific came in contact with the Chinese. Russia was the first of the European nations to come into contact with the Chinese up in the region of the Argun River, a tributary of

the Amur River, back in the seventeenth century. The Russia Cossacks had made their way down the river, had been as far down as Khabarovsk, but had been driven back and were carrying on a desultory fighting with the Manchus during Kang Hsi's reign in the seventeenth century. A Russian commissioner was sent out to negotiate with the Chinese and his efforts resulted in the Treaty of Nerchinsk in 1689. In that treaty, China got all that she asked for and Russia gave up a great deal of what she had. It is an interesting point that the Chinese demanded extraterritoriality for their nationals who might cross into Russian territory—and got it!

The Russian advance was halted until it was taken up again in 1847. From that time until 1860, when the French and the British attacked Peking, Russia advanced to the Pacific, and in 1860 made a treaty which gave her Peter the Great Bay on which was later founded the city of Vladivostok.

The Russian advance then halted again for a short period, but in 1894 and 1895 when the Sino-Japanese War was on, Russia watched it very carefully, and when Japan demanded the Liaotung peninsula from the Chinese, Russia got Germany and France to join with her in a note to Japan in which they advised Japan, in terms which ill-concealed a threat, or perhaps did not conceal the threat at all, that it would be best for the Japanese not to take the Liaotung.

For this "friendly" act toward China in saving to China this valuable bit of territory, Russia immediately demanded her compensation, which was the lease for the right-of-way of the Chinese Eastern Railway across the center of Manchuria. Two years later she got another bit of compensation in the way of a concession for a railroad from Harbin down to what was afterwards named Port Arthur, and a lease for twenty-five years on the South Manchuria Peninsula. So that at that time Russian friendship to China was extremely costly to the Chinese Empire.

In 1900, when the Boxer rebellion was on, Russia became panic-stricken, at least the governor of Amur Province became panic-stricken, and the Russians did literally force some 3,000 Chinese into the Amur River where they were drowned at the city of Blagovyeshchensk. But in spite of this regrettable incident, the Russians again, after the relief of the legations, managed to pose as the friends of China and put themselves in the position of opposing the other Powers, and at least succeeded in making the Chinese believe that they were holding down the demands for indemnities. As compensation for this, Russia secured an agreement that she would not have to evacuate Manchuria, into which she had sent some three armies and occupied the whole of the territory. When the time came, some two years later, and the territory should have been evacuated, Russia made new demands in return for her friendship, and at that time Japan became interested. When Russia refused to get out, Japan, as we know, put her out.

At that time, President Roosevelt made a statement to the effect that the Treaty of Portsmouth was but a truce; Russia would come back and try again. In 1907, however, Russia and Japan came to the conclusion that, for the time being at least, it would be more advisable to agree to

share the pickings in Manchuria, and they made an agreement dividing it into two spheres of influence, the Russians to control the north and the Japanese the south. Two years later, the proposition of Secretary Knox to internationalize the Chinese Eastern and the South Manchuria Railroad resulted in a still closer bond of interest between the two empires.

Russia at that time being obviously cut off by Japan's power from getting to warm water through Manchuria started intrigues in Mongolia. As you recall your map, you will remember that a line from Lake Baikal through Kyakhta and Urga and Kalgan and Peking would provide a shorter route to the Gulf of Chihli and the Yellow Sea than the line through Manchuria, and while the Japanese, as a result of the war, had obtained Seoul and Korea, the Russians had no hesitancy in enlarging their own vision to the point where they could imagine themselves in control of a line across the Gobi Desert and the masters of Peking. Peking was a greater prize than Seoul and the route was, after all, a shorter one. So that by the time the Chinese Revolution upset the power of the Manchus, Russia was in a position immediately to make a treaty with the Mongolian princes who, while they had recognized the sovereignty of the Manchu Dynasty, refused to have anything to do with the Chinese Republic, and an agreement was signed in 1914 giving Russia the right to determine what railroads should be built in Mongolia.

That was the high water mark of Russian aggression after her war with Japan, but the World War was already on and with the involvement of Russia in that and with the later revolution we are all familiar.

In 1916, after Japan had exacted her concessions from China under the Twenty-one Demands, she required of Russia that the latter underwrite all of those advances and, while Russia was tied up in Europe, practically forced her to agree to all of the Japanese advances which were made during the war.

Then in 1918 came the opportunity to intervene in Siberia. To sketch that very hastily, the invitation ostensibly came from the United States for the Allies to join in an intervention, and for Japan and the United States each to send 7,000 troops into Siberia to assist the Czechs to get out. By a slip of the pen, the Czechs were described as "westward moving." The truth was that they were westward moving, but it wasn't well to get that into the record, because the idea was that they were coming east and trying to get out, when, as a matter of fact, they were going west and fighting the new Government in Russia.

Thus American and Japanese troops followed along and backed up the Czechs, and there was the whole incident of the Kolchak Government and the spread of Japanese troops through Manchuria and through Siberia as far west as Lake Baikal. Instead of 7,000, the report of the Japanese general staff to the Government stated that there were 73,000 troops sent into the country.

That was the high watermark of Japanese aggression on the continent. They had Shantung, they had South Manchuria, the two jaws of the pincers

that could hold Peking in their grasp, and they had all of Manchuria, and they had Siberia from Baikal to the Pacific.

Before the Washington Conference, the Russians themselves, organizing in what later became the Far Eastern Republic, drove the Japanese and their Cossack allies back, back, back, until they held only Vladivostok and the mouth of the Amur.

Then the Washington Conference resulted in Japan's determination to withdraw from Vladivostok, which they did shortly, from Nicolayevsk immediately afterward, and ultimately from Sakhalin at the beginning of 1925, so that to a large extent through American pressure, Japan has evacuated all of the territory which she took by means of this intervention. In like manner, Russia, as Japan withdrew, began to come back, and Russian diplomacy at Peking concerned itself with recovering the position which Russia had formerly occupied in the Far East. The story involves a great deal of diplomacy and much of intrigue, but, to make it short, Russia finally secured the recognition of the Chinese Republic. Her first move was to send not a minister, as all the other countries were sending, but an ambassador to Peking, a thing which pleased the Chinese and which gave the Russians the position as the head of the diplomatic corps.

In order to get this recognition, they had made fair promises of evacuating all territory which they had occupied under the Czarist aggression, of giving up concessions, of relinquishing their rights to extraterritoriality, and of cancelling the balance of the Boxer indemnity.

It may be said that before Russia had a chance to give up any of these things, China took them all herself without asking Russia's permission. They simply cancelled extraterritoriality for Russians, they discontinued the Boxer payments, and they took charge of the Russian concessions, etc., so that when the treaty was finally signed, Russia did not have anything to give up along that line. She simply accepted what was an existing condition which she was powerless to change. One thing, however, she did insist upon, and that was joint control of the Chinese Eastern Railway as it had existed before the Russian Revolution. The revolution had not extended to Manchuria, and the Chinese Eastern Railway was still being operated jointly by the Chinese Government and by Russian conservatives who had become denationalized through the change of government in their own country, that is they were what the Reds refer to as Whites. The treaty guaranteeing joint control would result in the substitution of Soviet agents for the White Russians in control of the line.

But the railroad was in the territory of Chang Tso-lin, and he laughed at the treaty until he got into a war with Peking, and the Russians made demonstrations in his rear which made it clear to him that he must either sign a treaty agreeing to the same thing, or he was apt to lose everything.

So a treaty was signed with Moukden, and Soviet Russia moved into joint control of the Chinese Eastern. Since that time, Russia has been making every effort to increase her share of the control until once again she shall be the practical master of the Chinese Eastern through its whole length.

Japan has not watched this thing unconcernedly. Her interests in Russia were very great. She had many nationals up there. The Sakhalin matter was still pending. The Nicolayevsk massacre so-called was still a matter of feeling at home, and Japan liquidated all of those things in a treaty which was signed in January, 1925, in which the Russians recognized Japan and evacuated Sakhalin in return for certain concessions in oil and coal. The value of those concessions is still problematical, but they undoubtedly have a very substantial value.

Then Japan again took up the task of counteracting the advance of Russia toward the east and we find new intrigues are in the course of development now. Japan is obviously backing Chang Tso-lin in his efforts to control as much of China as possible, and not only to control China, but also to control the railroads as they exist south of the Chinese Eastern, and there are plans in existence for paralleling the Chinese Eastern and driving flanking lines in so that the Chinese Eastern economically will be greatly weakened and its value as a military railroad will be reduced very greatly, if it is not rendered entirely worthless.

One of those roads is actually under construction. The roadbed has been finished to the point of contact with the Chinese Eastern and it is expected that trains will be running by November of 1925. To counter Japan's moves with Chang as the tool, Russia is backing Feng and his troops on the other side of Peking to the northwest. Not only that, but the Russians are organizing and drilling some seventy thousand Mongolians in Mongolia. Whether the Russians have withdrawn from Urga is doubtful, although official announcement has been made that troops have been withdrawn. If the troops were withdrawn, it was only after the establishment of a Mongolian Soviet government in Urga through whose cooperation they could be brought back at short notice.

We have then Russia and Japan face to face again in Manchuria. And as Roosevelt predicted, the treaty of Portsmouth was only a truce and Russia would come back. Russia has come back and is again intriguing with one of the two most powerful of the Chinese factions to further her interests. Not only has she come back in as strong a position as she was before the war, but she has in addition complete control of the Mongolian situation. To add to the complications of the situation, Wu Pei-fu who was Feng's old commander and who through Feng's treachery was relegated to the background for a time, has succeeded in forming a confederation of the Yangtze provinces and bids fair to be a new factor in the situation.

Below him at Canton, there is a radical government which has of course no relations with any of the others, so that the unity of China which has been spoken of here is a figurative term, or at least refers only to a sentimental unity. The fact that Russia and Japan are pressing against each other in northern China and that each is availing itself of the opportunities which the situation in China offers them is established beyond dispute. The struggle is on there. It may not break for some years; it may break at any time.

Mr. Karakhan, in an interview which was reported in the *New York Times*, September 17, told the whole story except that he eliminated the Russian participation in it. He too, predicted war, possibly within a few months.

So that when we talk of getting out of China as rapidly as we can, we not only ignore many factors in the situation, but we ignore the fact that the world is becoming smaller every day. If we leave China we might very well find more serious trouble than we would have if we had stayed and faced the music and helped in what manner we could to assist in the solution of the very intricate problem which exists in the Far East.

We have relations with England and we have relations with Japan, but we haven't relations with Russia. England and Japan will not appreciate it if we simply jump in and say, "Here, we will resign all our extraterritoriality and customs rights and everything to China." It is an excellent thing to favor China, truly, but we can favor any nation in the same way if we ignore all of our obligations to the other nations. So it is that the question of the United States policy in China is as it has always been, one in which cooperation is necessary. We have never been able to accomplish anything in China except in cooperation with the other Powers. The situation absolutely precludes haste or any summary disposal of the matter. Any ill considered withdrawal from China would, I think, be of very doubtful benefit to China itself. It is very questionable whether it would help China but there is no question but that it would help Russia and no question but that the Russian Government, not a Bolshevik boggy, but Russia as Russia, would be delighted to see us take the course which has been suggested here of giving to China everything she asks. Russia knows who would benefit ultimately and unquestionably she would be thankful to us for that move, as no doubt she has been thankful to us for the restraining influence we have exerted upon Japan. Thus the problem is too complicated, and too interrelated with other problems of world politics to be decided in a few minutes.

DISCUSSION OF RUSSIAN-CHINESE RELATIONSHIPS

REV. FRANK W. BIBLE: I should like to ask Mr. Norton whether he thinks the present Government in Russia is to a certain extent taking over the traditional Russian policy throughout Asia.

MR. HENRY K. NORTON: There seems every reason to believe that is the case. The Czarist plans for railroad extension in various parts of central and eastern Asia have all been taken up and some of them have been put into operation. There is one part of the Soviet policy which has met with approval on the part of emigré groups, Czarist and otherwise—that is their policy in the Far East for the retention of control of the Chinese Eastern and their forward policy in Manchuria.

DR. JAMES H. FRANKLIN: I should like to ask Mr. Norton why the United States might not move to lead all the Powers, or such Powers as Japan and Great Britain, and stand for sympathetic consideration of China's aspirations? If it is essential that those three Powers stand together, why should not

America lead in an effort to have them stand for recognition of China's demands?

MR. HENRY K. NORTON: If that is not too far afield, my impression is that she is doing so now.

REV. CHARLES E. VERMILYA: Are the Chinese themselves at all conscious of what is going on, as Mr. Norton has described it? If so, would they be sympathetic toward any assistance that might come to them from the outside, providing they had a chance to exercise their initiative and cooperation?

MR. HENRY K. NORTON: The only direct evidence from the Chinese on that point that has been brought to my attention is that the anti-foreign movement has not extended to Harbin. The Chinese there are the only ones who are in direct contact with the Russians. The rest of China is almost as far away from Harbin and the Russian border as Denver is from us. The agitation against Great Britain, Japan, and America which has occurred in south and central China does not seem to manifest itself north of Moukden. Russia, rather than the other foreign Powers, is looked upon as the real danger there.

PROFESSOR LEWIS T. HODOUS: Have we any first hand evidence as to the working of extraterritoriality in the hands of the Russians in China at the present time?

MR. HENRY K. NORTON: At the time that I was in Harbin, which was in the summer of 1921, about eight months after the Chinese had canceled Russian extraterritoriality, I had a long visit with the most prominent Russian attorney in the city, and his stories of the persecutions of the Russians were fairly heart-rending. That was under the Chinese régime—the Chang régime—men being put into jail until they would turn over property. The persecutions went further than that. Many wealthy Chinese also were put in jail and no attempt was made to bring the matter to hearing for five or six months. This attorney said a number of his clients had been incarcerated for six months and that he was unable to bring their cases to trial. The Chinese being unable to understand Russian, their operations are, of course, conducted in Chinese, which necessitated the employment of interpreters. Numbers of interpreters were employed by the Chinese Government at 100 to 150 yen a month. A good Chinese-Russian interpreter is paid by a business concern about 400 or 500 yen a month, so that these men who were used in the courts were simply men who accepted service with the idea that they could take bribes from either or both sides to translate the testimony as the occasion demanded. This Russian attorney gave me an account three hours long of the persecutions to which the Russians had been subjected since the cancellation of their extraterritoriality. That was under the régime of Chang Tso-lin, and there is no specific application to the régime of the Peking Government. That is the extent of my personal knowledge.

DR. P. W. KUO: I fully appreciate the point of view that has been presented by Mr. Norton, who, I understand, has made a very special study of the Far Eastern question. However, the impression which the people in

China have concerning the policy of Soviet Russia is entirely different from the one he has expressed. The agreement which has been reached between China and Soviet Russia included among other questions those important questions which Mr. Norton has already mentioned. Those are mostly general considerations. On that I have just one word to say, namely, the troops in Mongolia have been withdrawn. Formal and official statements have been presented by the Soviet Republic to the Chinese Government to that effect and reports from Mongolia have confirmed the official statement of the Soviet Republic.

As to other questions concerning the treaty and the settlement of all outstanding questions, details have not been settled yet. They are supposed to have been considered by a special conference in which China is to be represented by Dr. C. T. Wang, whom many of you know. But owing to the question of a railway concession which was given to Japan some years ago, against which the Soviet Republic had made protest because it affected the interest of the Chinese railway, the conference has been held up, but the impression the Soviet Republic has made upon the Chinese people is that it is willing to throw overboard the former policy which was acknowledged by themselves to be imperialistic, and that the Russians are willing now to come back on an equal footing with China and to have a fundamental change of policy. Whether that is the sincere intention of the Soviet Republic or not we do not know. But this much we do know, that so far they have made a very favorable impression upon China and that many of the Chinese people really believe that they come with a converted heart. The reason why some of the elements in China are favorably inclined toward the Soviet Republic is not because any of them are converted by their economic and political principles, but because of the change of policy of the Soviet Republic so far shown to China.

MR. HENRY K. NORTON: In response to Mr. Kuo's suggestion that the Russians have impressed the Chinese people with the sincerity of their desire to treat China fairly and equally, it is interesting to recur to the situation in Manchuria. In my brief summary it was necessary to hasten over it and I suggested only that the treaty made with Peking had to be ratified by Chang Tso-lin before it would become effective. As a matter of fact the Russians waited until Chang was involved in a war with Peking, then made demonstrations in his rear and forced him to sign a treaty along the same lines as they had already signed with Peking. This treaty was made with Chang as the ruler of the "Autonomous Three Eastern Provinces." Russia was thus the only nation which has taken advantage of the recent disturbances in China to recognize and to attempt to segregate any portion of China's territory or to further the disintegration of China.

COMMON ACTION BY THE POWERS IN DEALING WITH CHINA¹

PROFESSOR MANLEY O. HUDSON, Law School of Harvard University

I think China has suffered for many years from the methods employed by the Powers in dealing with her. So many Powers are interested in China that it is necessary for them to act more or less in common. This means that conferences must be held, but the conferences are spasmodic, and it is difficult from China's point of view for their work to be continuous or effective. The Washington Conference of 1922, for instance, agreed upon a Tariff Conference, and a Conference on Exterritoriality, but three and a half years had to elapse before either of these conferences could be held. In other words, the situation has lacked continuity, and the general method in dealing with China has prevented the development of consistent policy.

I think the Chinese situation illustrates very well the need for permanent international machinery in dealing with such problems. China, for instance, is a member of the League of Nations. Why are not the Chinese problems dealt with through the League of Nations machinery? The Council of the League of Nations meets every three months, and the Assembly meets every year. Prominent Chinese have said to me recently that if the United States were a member of the League of Nations, it would be possible to have the tariff and extrterritoriality questions discussed at conferences assembled by the League. Whether this be true or not, I think it is obvious that the employment of some permanent method is called for, and I regret that in the reports that I have seen of the Baltimore Conference, little attention seems to have been given to this phase of the subject.

¹A letter submitted by Professor Hudson upon receipt of the "Preliminary Report of the Conference on American Relations with China."

Sectional Conferences and Resolutions

THE OPPORTUNITY OF THE AMERICAN GOVERNMENT IN THE PRESENT CRISIS

AS REPORTED BY THE RECORDER OF SECTION NO. 1

The section for which I am reporting started with the question, "What is the peculiar opportunity of the American Government in the present crisis: (a) through independent action, (b) in concert with the other Powers?"

I shall endeavor to give a summary of the views of the group, keeping in mind also the background of the discussion that we have had here in full conference. My own interpretation is that generally speaking we are agreed that extraterritoriality should be abolished, and that customs autonomy should be given to China.

There is danger that our differences may be exaggerated. There are divergences of view, but I believe that in fundamental principle we are agreed. We are not altogether agreed regarding the process to be adopted or the program to be followed in carrying this principle into effect: that is to say, we are not fully agreed at this time whether the abolition of extraterritoriality or the giving of customs autonomy should be by one stroke, or whether it should be by progressive stages.

The meeting recognized that the method of approach to the Chinese people and Government is of extreme importance. There is a great deal of difference between our making demands upon the Chinese people and our receiving promises from them to us. There is a good deal of difference between our insisting that they must do certain things first of all and their coming to us, in return for assurances that we give them, with promises that they will on their part do certain things that will make possible the realization of these principles and purposes upon which we are agreed.

With reference to the questions of time and method and program, we recognize that these are questions that a conference like this one cannot deal with satisfactorily. They are questions which necessarily must be referred to such international bodies as the Customs Conference which is meeting in Peking on October 26 and to the Commission on Extraterritoriality which is meeting in Peking on December 18. In both of these bodies the Chinese Government and the Governments that have signed the Nine-Power Treaty and those which have later adhered to that treaty will be represented by formally appointed delegates sent by each of these Governments. We hope that in that meeting these parties, meeting on a platform of complete equality, will be able to come to an agreement as friends and brothers in a great family of nations.

Further, with reference to the opportunity and responsibility of the United States Government, the opinion was expressed that the United

States Government should take a position of vigorous leadership in these international negotiations. Up to the time of the full realization of the Washington Treaties we hope that our Government will continue to press strongly for the agreement of all Powers concerned, in order that all of them may faithfully, as we know is the intention of all, carry out the promises and programs which were outlined in those treaties and resolutions adopted in Washington in 1921 and 1922.

Upon the completion of the Customs Conference and the meeting of the Commission on Extraterritoriality, we do not believe that the action of our Government should depend upon the complete agreement of all of these Powers concerned, for the simple reason that we think that our Government should not be delayed in determining its own policy by the action, or the failure to act, of one or more of the Powers which have comparatively small interests in the Pacific and in the Far East and in China.

It was pointed out that among the Powers signatory to these treaties there are certainly five Powers which have more important interests in the Pacific and in China, namely, China herself, Japan, Great Britain, France, and the United States.

We hope that our Government will most earnestly and in the most effective way possible endeavor to secure the agreement of these other four Powers in carrying out the recommendations which may be made by the Conference in October and the Commission that meets in December. At the same time we think that our Government should have the firm purpose of acting independently if it is found impossible within a reasonable time to secure the concurrent action of these other four Powers, or the other three that have been mentioned in addition to China.

METHODS OF CONTINUING THE WORK OF THE CONFERENCE

AS REPORTED BY THE CHAIRMAN OF SECTION NO. 2

Section No. 2 has made five definite recommendations to the Conference. It is clear that if the Conference could only discover what it wants to achieve, Section No. 2 could tell you how to spread the news of it through the country. The recommendations are:

1. That a committee be appointed by the Administration Committee to continue the educational work of this Conference, and of course that means to finish the work of the Conference.

2. That the printed report of this Conference be sent to the following: the regular members of the Conference; members of Congress; governors of States; ministers and consuls; periodicals interested in such subjects; the headquarters of all important organizations interested in such things and especially the missionary groups; the chief libraries of the country; the Chinese student centers in this country, and the chief school libraries in China.

3. That a brief review of the report be sent to the newspapers of this country at the time the report is ready to distribute.

4. That the Committee which carries on shall establish an educational

bureau which shall cooperate with existing agencies, which means organizations chiefly, through speakers and writers, for the further education of the country on American-Chinese relations.

5. That a syllabus be prepared showing in historical form the relations of this country with China, to be distributed to the teachers of history throughout the United States.

A FURTHER DISCUSSION OF EXTRATERRITORIALITY

AS REPORTED BY THE CHAIRMAN OF SECTION NO. 3

The first question, which was considered rather thoroughly, was this: by what criteria is judgment to be made that, and when, extraterritoriality can be abolished? That question had primarily to do of course with courts and the way in which we might reach a judgment as to when the courts of China are in a condition so that it will be safe for all persons interested to have extraterritoriality abolished.

Second: By what continuing contacts and checks can we determine the time element in relinquishing extraterritoriality? A good deal of emphasis, you will recall, was placed upon that element of time in connection with the abolishing of extraterritoriality.

Third: How far could merchants use Chinese methods in settling disputes? It was suggested that in China disputes between the different merchants among themselves were settled by their guilds, and that it might be a practicable thing for disputes between foreigners and Chinese or between foreigners in China, to be settled by some such method. It was suggested that the method of arbitration is also now very frequently employed in this country in such cases, and it is quite possible that similar methods might be adopted in disputes between the Chinese and foreigners.

If extraterritoriality is given up, what protection have foreign merchants from excessive taxation? Certain instances were given of establishments that had been set up by foreigners in China under apparently very liberal provisions; and then after a year taxation was started, increased, increased, increased again, until they were forced out of business. It was, however, brought out clearly in the discussion that cases of that kind were apparently very exceptional, and that ordinarily when business has been organized in China by foreigners with the Chinese and under Chinese laws, there has not been oppressive taxation. Nevertheless, it was thoroughly established that there had been abuses in certain instances, and so it was thought this question was a very pertinent one: What protection have foreign merchants from such abuses if extraterritoriality is given up?

And finally, if full autonomy in the tariff is given to China, step by step, what use should be specified for the increased income arising from the tariff revision? That of course, as we all know, is a question that has been a good deal discussed by business men and by Governments.

There were no final conclusions reached; but the course of the discussion seemed to indicate that the wise thing to be done is to assume that these

questions will be taken up at the Tariff Conference in October and at the Conference on Extraterritoriality in December and threshed out there. Attention was called to the fact that both the Chinese and the foreign nations would be fully and doubtless ably represented at those conferences, and that if we or others have any suggestions to make, the best and surest way to get wise action will be to present those suggestions to the proper members of those conferences.

THE CHINESE IN AMERICA

AS REPORTED BY THE RECORDER OF SECTION NO. 4

The section devoted its attention to four principal questions, which were as follows:

(1) What is the attitude of the Chinese in America toward recent developments in China and what has been their contribution to the result so far?

The Chinese merchants and students in this country have organized a financial campaign through speakers' bureaus and publications which has resulted in sending a great deal of money to China to help the movement.

(2) What are the agencies of the Chinese in America that have been or might be utilized to promote better understanding and good will?

The Chinese Students' Alliance, the Chinese Students' Christian Federation, various chambers of commerce, the China Society, the Chinese Press published in this country, as well as publications of the students, and the China United Society in Honolulu.

(3) What are the special grievances of Chinese in America that stand in the way of cooperation to promote understanding and good will?

Racial discrimination, the psychological attitude and point of view of so many American people who have a feeling of superiority; the deportation of certain Chinese slave girls who have been rescued and then sent back to live the life from which they were rescued; the various raids and arrests in the Chinatowns in various cities (the unnecessary arrest and harsh treatment of a great many to apprehend a few offenders); social discrimination against Orientals, especially on the Pacific Coast; misrepresentation by missionaries returning from China, by the press and by lecturers and writers of books.

(4) Have the civic and religious agencies interested in the Chinese in America developed an adequate and proper technique to accomplish these results?

The answer to this question is included in the following recommendation:

In concluding its discussion, Section 4 of the Conference arrived at the unanimous finding that the civic and religious agencies of America which are interested in the Chinese residents in this country have not as yet developed an adequate technique for fulfilling two necessary functions:

1. Of securing justice and a sympathetic understanding for the Chinese in America;

2. Of making the self-governing organizations of the Chinese in America channels through which, not only American good will toward China might find fuller expression, but also, more specifically, channels through which America might more largely contribute helpfully to the social and economic upbuilding of the new China, as she has, through these channels, contributed in the past to the political enlightenment of the Chinese people.

For these reasons the section recommends that as one outcome of the present conference some of the agencies represented, and others, together with representative groups of Chinese in America convene a further conference, or a committee, for the fuller study of concrete and practical ways of securing these objects more adequately.

SEPARATE MEETINGS OF THE CHINESE AND AMERICAN MEMBERS

At the request of the Administration Committee separate meetings of the Chinese and the American members of the Conference were held on the afternoon of September 17. The meeting of the American members was reported stenographically and its results have been embodied topically under the appropriate sections of this volume. The meeting of the Chinese members was summarized by Mr. C. W. Chiu as follows:

Dr. P. W. Kuo, the spokesman of the Chinese group, presided. Several members spoke of the need of sending a man to China to report to the Chinese people on the results of the Conference and to give them the moral support of the Chinese in America in the fight for tariff autonomy and the abolition of the extraterritorial rights. A motion was passed to the effect that a representative be elected from the delegation to be sent back to China for the above-mentioned purposes. Mr. L. C. Lo, the President of the Chinese Students' Alliance in the United States of America, was unanimously elected as the representative. And at the same time a Committee on Arrangements consisting of Dr. P. W. Kuo, K. C. Li, and C. W. Chiu was organized for the raising of funds.

RESOLUTIONS CONCERNING COMMITTEES FOR COMPLETING THE WORK OF THE CONFERENCE

I. At the evening session of September 19, the Conference, recognizing the importance of making a record of the proceedings which would state in brief the trend of the discussion, voted unanimously to ask the Administration Committee to appoint a small committee to prepare a short account of the proceedings which would attempt to list the issues which had been under discussion, the points on which there appeared to be an approach to a consensus of opinion, along with a record of significant divergences.

II. At its evening session of September 19, the Conference voted to appoint the committee named below for the following purposes:

1. To complete the immediate business growing out of the Conference, especially the editing and disseminating of the proceedings.

2. To determine what, if any, provision should be made for continuing for a limited time such processes of assembling and disseminating data regard-

ing China and American relations with China as have preceded and accompanied this Conference.

3. To make the arrangements necessary to execute the decisions arrived at in line with Section 2, above.

The Committee: Donald M. Brodie, E. C. Carter, Mrs. Carrie Chapman Catt, Dr. R. E. Diffendorfer, Dr. C. K. Edmunds, Douglas L. Elliman, Raymond B. Fosdick, Galen M. Fisher, Robert Morss Lovett, Miss Rhoda E. McCulloch, Miss Christina Merriman, Professor Paul Monroe, Owen Roberts, Mrs. E. H. Silverthorn, Dr. A. L. Warnshuis.

Appendices

ACKNOWLEDGMENTS

The Conference enjoyed the hospitality of the Johns Hopkins University buildings and grounds. In the absence of President Frank J. Goodnow the Conference was formally welcomed by Mr. R. Brent Keyser, President of the Board of Trustees, while continuing courtesies were extended by Provost and Mrs. Edmunds throughout the period of the meeting.

The thanks of the Conference are due the Foreign Policy Association for assistance in the preparation of the series of Editorial Information Service bulletins, to the Board of Foreign Missions of the Methodist Episcopal Church for lending the services of Mr. Stanley High, to the National Board of the Young Women's Christian Association, to the China Society, to the League of Women Voters, to The Inquiry, to the International Missionary Council, to the authors of the preliminary papers issued by the Data Committee, and to the numerous other organizations and individuals who cheerfully joined in cooperative effort.

The financing of the Conference and the publication of this Report were made possible by the registration fees of the delegates and by contributions, totalling \$6,663, from the following: E. M. Bowman, Mrs. Emily C. Chadbourne, Charles R. Crane, Douglas L. Elliman, Dr. Robert K. Giering, Miss Elisabeth Gilman, William Bancroft Hill, Charles W. McAlpin, John D. Rockefeller, Jr., and James A. Thomas.

The Administration Committee desires to place on record its deep appreciation of the services of Mr. Charles H. Fahs, who has acted as editor of these proceedings.

MEMBERS OF THE CONFERENCE

The following is a list of those whose names appeared in the record as having attended the Conference on American Relations with China, together with the names of those who accepted membership in the Conference but were unable to attend.

- Willis J. Abbot, *Christian Science Monitor*, Boston.
- Miss Grace Abbott, Washington, D. C.
- *John J. Abbott, Continental and Commercial Trust and Savings Bank, Chicago.
- James F. Abel, Bureau of Education, Washington.
- *W. W. Alexander, Atlanta, Georgia.
- Miss Florence Angell, American Association of University of Women, New York.
- Thomas S. Baker, President Carnegie Institute of Technology, Pittsburgh.
- Mrs. E. T. Barr, Baltimore.
- *Dr. Allen R. Bartholomew, Philadelphia.
- Charles C. Batchelder, formerly Acting U. S. Commercial Attaché in China, New York.
- Rev. Frank W. Bible, Chicago.
- *Van Lear Black, Baltimore.
- Dr. F. B. Bomberger, University of Maryland.
- *Mrs. Ella Boole, Brooklyn.
- Robert Boville, New York.
- Mr. and Mrs. E. M. Bowman, New York.
- Miss Ruth Boyle, *Good Housekeeping Magazine*, New York.
- Miss G. R. Brigham, Canton Christian College.
- Donald M. Brodie, New York.

*Accepted membership in the Conference, but was unable to attend.

- El. G. Burland, Foreign Affairs Committee, U. S. Chamber of Commerce, Washington.
 Miss Margaret Burton, New York.
 Miss Lucy P. Carner, New York.
 Miss Mollie Ray Carroll, Goucher College, Baltimore.
 Edward C. Carter, New York.
 Dr. Howard G. Case, Syracuse in China Association.
 Mrs. Carrie Chapman Catt, New York.
 Rev. Samuel McCrea Cavert, Federal Council of Churches, New York.
 *William M. Chadbourne, Attorney, New York.
 Yan Tsz Chiu, Canton Christian College.
 C. W. Chiu, Chinese Students' Alliance, Columbia University.
 W. K. Chung, Associate President Canton Christian College.
 Eric G. Clarke, Jones, Clarke & Company, Peking.
 Professor Collier Cobb, University of North Carolina.
 George R. Coleman, Elbrook, Inc., New York.
 Frederick H. Cone, New York.
 Mrs. Elizabeth B. Cotton, National Board Y. W. C. A.
 *John M. Coulter, Boyce Thompson Institute, Yonkers, N. Y.
 Hon. Charles R. Crane, formerly U. S. Minister to China.
 John O. Crane, New York.
 Rev. Earl Cranston, Missionary.
 G. A. De Venecia, Johns Hopkins University.
 Dr. R. E. Diffendorfer, Methodist Episcopal Board of Foreign Missions.
 *Miss Mary Dingman, World's Y. W. C. A., London.
 Robert A. Doan, Hocking Brick Company, Columbus, Ohio.
 Daniel E. Douty, United States Testing Co. Inc., New York.
 Miss Elizabeth Eastman, Washington, D. C.
 Provost C. K. Edmunds, Johns Hopkins University.
 Miss Margery K. Eggleston, China Medical Board, New York.
 Mrs. Charles E. Ellicott, Maryland League of Women Voters.
 Douglas L. Elliman, Douglas L. Elliman & Co., New York.
 *Miss Madeline R. Erskine, Journalist, Philadelphia.
 Mrs. Philip S. Evans, Jr., Tsinan, Shantung, China.
 Charles H. Fahs, Missionary Research Library.
 Professor Henry W. Farnam, Yale University.
 Mrs. John Ferguson, Council of Women for Home Missions.
 *Mrs. John H. Finley, National Board Y. W. C. A.
 Galen M. Fisher, Institute of Social and Religious Research.
 Gerald W. Fisher, Princeton University.
 B. W. Fleisher, Publisher, *The Japan Advertiser*, *The Trans-Pacific*, Tokyo.
 Dr. D. J. Fleming, Union Theological Seminary.
 Angus S. Fletcher, British Library of Information, British Foreign Office.
 *Mrs. J. Malcolm Forbes, Milton, Mass.
 *Raymond B. Fosdick, Curtis, Fosdick & Belknap, New York.
 Dr. James H. Franklin, American Baptist Foreign Missionary Society.
 *John R. Freeman, Civil Engineer, Providence, R. I.
 Louis D. Froelick, *Asia Magazine*, New York.
 Robert R. Galley, Princeton-in-Peking.
 *Dr. Charles J. Galpin, Department of Agriculture, Washington.
 Robert Garrett, Baltimore.
 Miss Elizabeth Gilman, Secretary-treasurer, Christian Social Justice Fund, Inc., Baltimore.
 John M. Glenn, Russell Sage Foundation, New York.
 John Glenn, Jr., Baltimore.

*Accepted membership in the Conference, but was unable to attend.

- E. Stanley Glines, Lam, Glines & Co., China.
- *James A. Goldsmith, Hess, Goldsmith & Co.
- Mrs. Herbert Goodman, Chicago.
- Miss Amy Blanche Greene, New York.
- Sydney Greenbie, Author, South Hadley, Mass.
- G. W. Groff, Canton Christian College.
- Dr. Howard B. Grose, Journalist, New York.
- Miss Emma H. Gunther, Teachers College, Columbia University.
- Carl W. Hamilton, Philippine Refining Corporation, New York.
- Miss Agatha Harrison, National Board, Y. W. C. A.
- Paul Harvey, Lecturer on Foreign Affairs.
- Odell Hauser, *New York Times*.
- Dr. William I. Haven, American Bible Society.
- Dr. George E. Haynes, Commission on Race Relations, Federal Council of Churches.
- Charles A. Herschleb, Foreign Division, National Council, Y. M. C. A.
- R. M. Hersey, Y. M. C. A., Tientsin,²China.
- Stanley High, Journalist, New York.
- Mrs. Stanley High, New York.
- Professor William Bancroft Hill, Vassar College.
- Dr. George W. Hinman, San Francisco.
- Miss Margaret E. Hodge, Board of Foreign Missions Presbyterian Church, U. S. A.
- Professor Charles Hodges, New York University.
- Professor Lewis Hodous, Hartford, Conn.
- John Hope, President, Morehouse College, Atlanta, Ga.
- Henry S. Houghton, M.D., Union Medical College, Peking.
- Miss Mabel K. Howell, Nashville, Tenn.
- *G. Ellsworth Huggins, Elbrook, Inc., New York.
- Andrew B. Humphrey, Director, China Society of America, New York.
- Bishop D. T. Huntington, Anking, China.
- Charles D. Hurrey, National Council Y. M. C. A., Friendly Relations Committee.
- *Mr. and Mrs. F. C. Huyck, Albany.
- O. Edward Janney, M.D., Baltimore.
- Professor Jeremiah W. Jenks, New York University.
- Nelson T. Johnson, Department of State, Washington.
- Joseph J. Keegan, Toch Bros., New York.
- Mr. and Mrs. S. M. Keeny, New York.
- Dr. Robert L. Kelly, Secretary, Association of American Colleges.
- Miss Mabel H. Kittredge, New York.
- Mr. and Mrs. Philip Kerby, Peking, China.
- Mrs. Alfred Kohn, Chicago.
- Dr. P. W. Kuo, Director and Chairman Foreign Relations Committee National Association for Advancement of Education in China.
- Dr. W. G. Landes, Secretary, World's Sunday School Association.
- Bruno Lasker.
- Professor John H. Latane, Johns Hopkins University.
- Miss Julia C. Lathrop, Rockford, Ill.
- Josephine Lawney, M.D., Woman's Christian Medical College, Shanghai.
- Dr. Edmund J. Lee, Missionary.
- Dean Frederic E. Lee, University of Maryland.
- Milton C. C. Lee, Columbia University.
- *James H. Lewis, New York.
- K. C. Li, Wah Chang Trading Corporation, New York.
- Jerome T. Lieu, University of Chicago.
- *Mrs. Arthur L. Livermore, National Republican Committee.

*Accepted membership in the Conference, but was unable to attend.

- L. C. Lo, President Chinese Students' Alliance in U. S. A., Columbia University.
 Charles S. Lobingier, Department of Justice, Washington.
 Robert Morss Lovett, *The New Republic*.
 Dr. Henry W. Luce, Peking University.
 P. S. Lum, Johns Hopkins University.
 Miss Jean Lyon, Shanghai.
 Miss Ella D. MacLaurin, Executive Secretary, Federation of Woman's Boards of Foreign Missions of North America, New York.
 Leifur Magnússon, International Labor Office, Washington.
 Miss Pauline Mandigo, Phoenix Publicity Bureau, New York.
 Edwin Marx, United Christian Missionary Society, Nanking, China.
 Professor Johannes Mattern, Johns Hopkins University.
 Miss Rhoda E. McCulloch, Editor-in-Chief, *The Woman's Press*.
 Miss Louise McGuire, National Council of Catholic Women.
 Miss Mabelle R. McVeigh, Woman's American Baptist Foreign Mission Society.
 Mr. Bennett L. Mead, Sociologist, Baltimore.
 Miss Margaret P. Mead, National Board Y. W. C. A.
 Dr. Royal Meeker, New York.
 Paul Meng, General Secretary, Chinese Students' Christian Association in N. A., New York.
 Miss Christina Merriman, Foreign Policy Association.
 Miss Elizabeth Merritt, Goucher College, Baltimore.
 Wilson Midgley, *London Daily News*.
 Professor Frank M. Mohler, International Y. M. C. A. College.
 Professor Paul Monroe, Columbia University.
 Lewis C. Moon, American Friends Board of Foreign Missions, Baltimore.
 Frederick Moore, Adviser to Japanese Embassy, Washington.
 *Miss Ruth Morgan, League of Women Voters.
 Mrs. Frederick I. Mosher, Federated Clubs of Maryland.
 Mr. and Mrs. Albert C. Muhse, Washington.
 Henry K. Murphy, Architect, Shanghai.
 Walter E. Myer, Editor, *Weekly News Review*, Washington.
 Dr. Denys P. Myers, World Peace Foundation, Boston.
 J. S. Nagle, Board of Foreign Missions Methodist Episcopal Church, Singapore.
 Mrs. Thomas Nicholson, National President, Woman's Foreign Missionary Society, Detroit.
 *Mrs. Gordon Norrie, New York.
 Dr. Eric M. North, China Union Universities, New York.
 Henry K. Norton, Writer on Russia and Far East.
 Professor Frederic A. Ogg, University of Wisconsin.
 Rev. Oscar T. Olson, Baltimore.
 Mrs. Edgerton Parsons, American Association of University Women.
 Richard C. Patterson, Jr., Mining engineer, New York.
 *Mrs. Henry W. Peabody, Beverly, Mass.
 *Miss Mary Peacock, Torresdale, Pa.
 Nathaniel Pepper, Brooklyn.
 Miss Ellen F. Pendleton, President, Wellesley College.
 Professor Iva L. Peters, Goucher College, Baltimore.
 Rev. W. W. Pinson, Nashville, Tenn.
 Miss Gladys A. Plunkett, New York.
 Disson Poe, Harvard University.
 Hon. Stephen G. Porter, Washington.
 Dr. George Earle Raignel, Lecturer on Current Events.
 Dr. W. S. Richardson, New York.

*Accepted membership in the Conference, but was unable to attend.

- Professor Lawrence B. Ridgeley, Nanking, China.
 Dr. J. C. Robbins, Chairman Committee of Reference and Counsel, Foreign Missions Conference of North America.
 Owen F. Roberts, New York.
 Mrs. Owen Roberts, Director, China Society.
 Mrs. Raymond Robins, National Women's Trade Union League, Chicago.
 H. M. Robinson, First National Bank, Los Angeles.
 Walter S. Rogers, New York.
 Professor G. B. Roorbach, Harvard University School of Business Administration.
 Bishop Logan H. Roots, Hankow, China.
 *Professor Edward A. Ross, University of Wisconsin.
 Mrs. C. K. Roys, Presbyterian Board of Foreign Missions, New York.
 *Nevin Sayre, Fellowship of Reconciliation.
 *Miss Josephine Schain, League of Women Voters.
 Professor W. A. Scharffenberg, Shanghai Missionary College, Shanghai.
 *Mr. Alfred H. Schoellkopf, Niagara Falls Power Company.
 *Mrs. Alfred H. Schoellkopf.
 Rev. George T. Scott, Board of Foreign Missions, Presbyterian Church, U. S. A.
 Kinn Wei Shaw, *China Times*, Shanghai.
 Rev. Wilfred W. Shaw, Baltimore.
 Professor Alfred D. Sheffield, Wellesley College.
 Chao Y. Shill, Editor, Chinese Students' Alliance, U. S. A.
 Henry T. Silcock, London, England.
 Mrs. E. H. Silverthorn, Federation Women's Boards of Foreign Missions.
 Miss J. L. Simpson, Secretary, China Society.
 Mrs. John F. Sippel, Maryland Federation Women's Clubs.
 Ross H. Skinner, Thos. Cook & Son, New York.
 Dr. and Mrs. Harry R. Slack, Jr., Johns Hopkins University.
 T. Dwight Sloan, M.D., Peking Union Medical College.
 Miss Ethel Smiley, New York.
 Dr. and Mrs. John H. Snoke, Johns Hopkins Hospital.
 Albert W. Staub, Secretary, Near East Colleges.
 Tom Steep, Associated Press, Peking.
 Ethelbert Stewart, Commissioner, U. S. Bureau of Labor Statistics, Washington.
 William T. Stone, Foreign Policy Association.
 Dr. William E. Strong, American Board of Commissioners for Foreign Missions.
 J. Leighton Stuart, President, Yenching University, Peking.
 Minister Sao-Ke Alfred Sze, Chinese Minister Plenipotentiary to the United States.
 Dr. T. Y. Sze, Columbia University.
 Dr. Adrian S. Taylor, Union Medical College, Peking.
 James A. Thomas, former V. P., Chinese American Bank of Commerce, Peking.
 Norman M. Thomas, League for Industrial Democracy.
 Miss Florence C. Thorne, American Federation of Labor, Washington.
 C. H. Tobias, Colored Department, National Council Y. M. C. A.
 *Maximilian Toch, Toch Bros., New York.
 Rev. Floyd W. Tomkins, World Conference on Faith and Order.
 Leslie Bennett Tribolet, Baltimore.
 Chi Yan Tsz, New York.
 Fennell P. Turner, Foreign Missions Conference of North America.
 Miss Katharine E. Vaughn, National Board Y. W. C. A.
 Rev. Charles E. Vermilya, Home Missions Council.
 Vicente Villamin, the Philippines.
 Oswald G. Villard, *The Nation*.
 Miss Augusta Wagner, Yenching University, Peking.

*Accepted membership in the Conference, but was unable to attend.

*Miss Lillian D. Wald, Henry Street Settlement.

*Merle Walker, New York.

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Daniel R. Williams, Attorney, San Francisco.

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Professor W. W. Willoughby, Johns Hopkins University.

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Dr. John W. Wood, American Episcopal Board of Missions.

Miss Grace Yang, Chinese National Y. W. C. A.

Dr. Clarence K. S. Young, Chinese Legation, Washington.

Philip N. Youtz, Canton Christian College.

Dr. A. E. Zucker, University of Maryland.

SPONSORS OF THE CONFERENCE WHO WERE UNABLE TO ATTEND THE MEETING AT BALTIMORE¹

Charles A. Beard, G. H. Blakeslee, Bruce Bliven, Fletcher S. Brockman, John J. Burke, Kenyon L. Butterfield, S. Parkes Cadman, William C. Cheney, John C. Clark, Herbert Croly, James H. Dillard, Mary E. Dreier, Edward Mead Earle, H. P. Fairchild, John Ferguson, Raymond B. Fosdick, Glenn Frank, Anna A. Gordon, William Green, Jerome D. Greene, Sidney L. Gulick, Harold A. Hatch, Carlton Joseph H. Hayes, Sidney Hillman, Ernest M. Hopkins, Lois Peirce Hughes, William H. Johnston, Eugene Kinckle Jones, R. L. Kelly, Mrs. Thomas W. Lamont, Esther Everett Lape, Walter Lippmann, Sarah Lyon, Julian W. Mack, Hugh S. Magill, George B. Mangold, Charles W. McAlpin, Francis J. McConnell, James G. McDonald, Mary E. McDowell, W. W. McLaren, Helen B. Montgomery, Felix Morley, John R. Mott, H. G. Moulton, Mrs. Beverley B. Munford, Theresa W. Paist, Marion Park, R. Stuyvesant Pierrepont, Agnes G. Regan, Mrs. John D. Rockefeller, Jr., Mrs. Franklin D. Roosevelt, Father John A. Ryan, F. Louis Slade, Robert E. Speer, Mrs. Robert E. Speer, Mrs. William D. Sporborg, Milton Stauffer, Frederick W. Stevens, William H. Welch, William Allen White, Ray Lyman Wilbur, Mary E. Woolley, Owen D. Young.

*Accepted membership in the Conference, but was unable to attend.

¹The names of sponsors who accepted membership in the Conference appear above on the list of members of the Conference.

THE CUSTOMS CONFERENCE IN CHINA

The Chinese Customs Conference opened at Peking on October 26, 1925, in accordance with provisions of the Nine-Power Customs Treaty signed in February, 1922. Before the Conference met, the Chinese Government informed the Powers that it wished the whole question of tariff autonomy to be brought up at the forthcoming Conference, and the Powers indicated willingness to discuss the question, thus extending the scope of the Conference beyond the strict provisions of the Washington Treaty.

At the opening session of the Conference China presented the following proposals as a basis for discussion:

1. That the Powers agree to the removal of the tariff restrictions contained in their existing treaties with China, thus restoring tariff autonomy to China.

2. That China abolish likin, a tax upon goods in inland transit, simultaneously with the enforcement of China's national tariff law, which would take effect not later than January 1, 1929.

3. That previous to the enforcement of the national tariff law, an interim tax of 5 per cent be levied on ordinary goods, a 30 per cent tax on certain luxuries, including wine and tobacco, and a 20 per cent tax on certain other luxuries, in addition to the present 5 per cent *ad valorem* tariff.

4. That the collection of these interim taxes begin three months from the date of the signature of the agreement reached by this Conference.

5. That decisions relative to the above four articles be carried into effect from the date of the signature of the agreement.

A few days later the American delegation presented proposals which were in substantial agreement with the Chinese demands. The American proposals, which also provided for tariff autonomy, differed principally from the Chinese proposals in that the coming into force of the Chinese national tariff on January 1, 1929, was made conditional upon China's fulfillment of several undertakings, and in that the interim tariff duties proposed were much lower. Both the American and the Chinese proposals, however, contemplate interim duties higher than those provided for in the Washington Treaty.

The only other State which presented a concrete scheme to the Conference was Japan. The central idea of the Japanese plan was that in the interim before recovering tariff autonomy China should conclude separate tariff treaties with the several Powers.

After discussion of the various proposals, a joint meeting of Committees 1 and 2 of the Conference adopted, on November 19, a resolution in which the Powers definitely recognize China's right to enjoy tariff autonomy, agree to remove the tariff restrictions in existing treaties, and consent to the going into effect of the Chinese national tariff law on January 1, 1929. In the same resolution China declares "that likin shall be abolished simultaneously with the enforcement of the Chinese National Tariff Law," and that "the abolition of likin shall be effectively carried out by . . . January 1, 1929." The substance of this resolution is to be incorporated in the new treaty to be signed by the Conference.

The recognition of China's tariff autonomy by the Powers is the outstanding achievement of the Conference so far. Since that time, the Conference has been quietly at work on statistics and formulas for the forthcoming tariff increases, apparently undisturbed so far by the ups and downs of China's civil warfare.—Statement prepared December 3, 1925, by the Foreign Policy Association.

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